

## CONSIDERATIONS REGARDING REGULATIONS ON FINANCIAL MARKETS IN THE CONDITIONS OF ROMANIA AS A EU MEMBER STATE

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### Abstract

*Financial markets are increasingly becoming an area of major interest to the European Union in its efforts to achieve competitive global development levels similar to those of the United States. The Lisbon Agenda is a testimony to this, although the latest assessments are not at all optimistic about the achievement of the target as expected for 2010. To meet its objectives, the EU has generated a comprehensive package of regulatory initiatives, composed of directives and regulations that translate its policies into the field. The paper aims at a careful review of all of them. Approximation of investment and capital markets is made from the two major chapters of Community policies whose freedom of movement within the internal market is a fundamental desideratum of the European Union: the free movement of capital and freedom of movement of services. Financial markets are an integral part of European capital under current conditions, so development regulation helps European Union member states achieve their financial goals. At the same time, by imposing these regulations, we observe the European Union's intention to act as a starter of systems to bring to the development of states and not to leave behind the countries that are in difficulty, through a rigorous and transparent regulation of the financial markets.*

**Key words and expressions:** *Financial services, free movement, regulation, policies*

### 1. Introduction

The objectives of this research are to highlight the legislative framework for the development of financial services in the European Union, both of Romania's internal framework from the perspective of the European community and the review of financial market regulations.

The information presented in the paper contributes both to the functioning of the financial markets in terms of performance and legality, as well as to the economic decisions that are linked to the current regulations of the financial markets.

We can say that through regulation we understand in a general framework, the form of supervision and control used by the government over the activities of private companies, which aims to make efficient, maintain their correctness as well as their safety.

In a narrower context, the regulatory term also refers to the capital market. Thus, the state uses its regulatory power through its own specialized institutions. At the same time, the state can delegate its power to financial institutions which in this sense become self-regulatory.

Due to the fact that excessive regulation can act as a barrier to entry on the capital market, thus restricting competition, there has also been the phenomenon of deregulation which is more common in the case of stock exchanges.

The purpose of deregulation on the capital market was to encourage the development of healthy competition in this area as well as the development of competition among capital market intermediaries to the benefit of investors.

Thus, financial markets are always in continuous dynamics, a dynamic that brings new but also financial products that bring with them new risks and challenges for supervisors.

## **2. Opinions on the regulation of financial services in the European Union**

The free movement of services is at the moment the foundation of economic activities in the European Union.

The purpose of Community rules on services is to abolish existing restrictions on the movement and domicile within the European Community of self-employed or employed persons and their families. Obviously, the free movement of services concerns both individuals (people) and firms (legal persons). At the level of primary Community law, the regulatory basis covering the field is the EC Treaty, Articles 3 (1) (c), 14 and 43-55 in the new numbering. The treaty stipulates the principle that self-employed persons can freely exercise an activity in two ways: a) the person or firm can be established / established in another Member State (freedom of establishment - Article 43 of the EC Treaty); or b) can provide services in other Member States, remaining in the country of origin (freedom to provide services - Art. 49 of the EC Treaty).

It is intended that self-employed persons should be free to practice their profession / to sell their services within the Community, both in terms of residence and freedom to provide services (in terms of optimization economic location of the service).[1]

Obviously, this implies both the abolition of discrimination based on nationality and the adoption in the Member States of measures to facilitate the exercise of the services concerned.

The normative act of secondary legislation that governs the field is the Council Directive no. 73/148/EEC of 21 May 1973 on the abolition of existing restrictions on the movement and residence within the European Community for nationals of Member States (Official Journal L 172 of 28.06.1973).

The Act referred to was repealed and replaced by Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States Regulations (EEC) No. No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC.

The regulation states that the following persons have the right to leave the territory of a member state only on the basis of their identity card or passport:

- persons of nationality from a member state who are established or wish to establish themselves in another member state for the purpose of self-employment or the provision of services in that state;
- persons who are nationals of a member state who wish to travel to another member state as service recipients;
- spouses or children under 21 years of age, irrespective of their nationality;
- ascendant or descendant relatives of these persons and their spouses who are dependent on them, irrespective of their nationality.

Member states shall not require an exit visa or equivalent formality.

The persons referred to are free to enter the territory of the member states only on the basis of their identity card or passport. No entry visas or other equivalent formality may be required, except for family members who do not have the nationality of a member state. To that end, member states must give them all the necessary facilities to obtain the necessary visas.

Each member state shall guarantee the right of residence to persons who are nationals of another member state who are established in its territory for the purpose of self-employment if the

restrictions on such activities have been abolished. For this purpose, a "residence permit is issued for persons who are nationals of a member state of the European Community". Interruption of residence for periods of no more than six consecutive months and absence from the military service does not affect the validity of the residence permit. A residence permit can not be withdrawn from a person unless he is already employed because of a temporary incapacity for work resulting from an accident or illness.

Persons in a member state authorized under the legislation of another member state to pursue an activity in its territory shall be guaranteed the right of residence for a period not shorter than that of the authorization to perform that activity.[2]

The right of residence for persons providing or employing services is of a duration equal to the period of activity of those services; if this period exceeds three months, member states issue a right of residence; if the period does not exceed three months, the identity card of the person (or passport) is sufficient. The member state may, however, be chartered.

A family member who is not a national of a member state shall be entitled to a residence document with the same validity as the person of a member state to which he is dependent. The member state shall require an applicant for a residence permit or residence permit only the following documents:

- the document with which he entered the territory of that state,
- proof that it belongs to one of the categories referred to in the Directive.

The cost of the residence documents and the certificates required for their issue must not exceed the charges for issuing the identity card to nationals of that State. Visas granted to family members who do not have the nationality of a member state are free of charge. member states will have to simplify as much as possible the formalities and procedures for obtaining residence documents and certificates.

Member states may not derogate from the provisions of the Directive, except for reasons of public policy, public security or public health.[3]

They must notify any amendments that simplify the formalities for issuing the documents required for movement and residence.

In conclusion, the free movement of services implies the abolition of restrictions restricting the freedom of movement/establishment of self-employed persons/firms, their employees and their families.

### **3. Financial services in the internal market from a community legislative perspective**

In order to create a true single market for services, the European Commission proposes to issue a directive to remove legal obstacles preventing firms from offering their services or establishing their head offices in other member states by encouraging cross-border economic activities and thus stimulating competition, the purpose of the provision is to provide a wider alternative, to improve the quality and lower prices for consumers and service users. It also seeks to encourage innovation, improve the competitiveness climate and create high-quality services in the sector.

The proposal is dated 13 January 2004 and refers to a future Directive of the European Parliament and of the Council on services in the internal market. This proposal for a directive creates a legal framework for removing obstacles to freedom of establishment for service providers and the free movement of services between member states, giving providers and service consumers the legal certainty they need to exercise these two fundamental freedoms provided for by the EC Treaty. The adopted approach draws the removal as a priority issue of barriers that can be quickly eliminated. For the others, the proposal provides for a process of complementary evaluation, consultation and harmonization of the national regulatory system for service activities.[4]

The scope covers approximately 50% of the European Union's economic activities. The proposal for a directive establishes a general framework for a wide range of services, while taking into account the distinctive features of each profession or service activity. The proposal thus covers all services provided to consumers and businesses, whether they are provided directly or remotely, including via the Internet. It includes a wide range of activities such as distribution, construction (including architectural services), recreation services (such as travel agencies), information technology services, advertising, car rental, recruitment agencies, security services, audio-visual services and medical services. It also regulates aspects of liberal professions, such as doctors, lawyers and tax consultants.

However, the proposal for a directive does not cover:

- services provided directly by public authorities without a remuneration for the fulfillment of their social, cultural, educational or legal obligations;
- financial services, electronic communications services and transport (which have special legislation).[5]

The directive seeks, obviously, to remove barriers to freedom of establishment for service providers in other member states. By the proposed legal text, member states undertake to remove unnecessary barriers that prevent or discourage the efforts of operators in other member states to establish themselves and provide services within their territory.

In this respect, the proposal envisages the following measures, clarifications and obligations:

- administrative simplification measures, in particular involving the establishment of single points of contact where service providers can complete the administrative procedures relevant to their activities and the obligation to make it possible to complete these procedures by electronic means;
- certain principles that the authorization schemes applicable to service activities must comply with, in particular those relating to the conditions and procedures for obtaining the authorization;
- the prohibition of restrictive particular conditions which may be in force in certain member states, in particular discriminatory conditions based directly or indirectly on nationality or on the place of registration of operators;
- the obligation to impose the compatibility of certain legal requirements with the conditions laid down in the Directive, in particular with regard to proportionality.

Complex, expensive and long-term licensing and licensing procedures will disappear, mainly due to restrictions on the number of documents requested and the introduction of electronic procedures. Also, the same normative act seeks to remove obstacles to the free movement of services between member states.

In order to increase the cross-border service offer, the European Commission's proposal is to:

- stipulate the application of the country of origin principle, according to which a service provider is subject only to the law of the country in which it is established and member states can not restrict the services of a provider established in another member state;
- specifies the right of employers to use services from other member states. It is intended to avoid situations where restrictive measures taken by a member state or discriminatory behavior of the authority. This right eliminates the possibility for a member state to impose restrictions such as the need to obtain a service license for, for example, architects or builders in another member state or discriminatory taxation rules that would make the services of other countries The European Union;

The proposed directive also clarifies the rights of patients, using the legislation of the European Court of Justice as a basis for determining the conditions under which the national social security system must reimburse the cost of healthcare received in another member state:

- establishes a mechanism to assist employers using a service provided by an operator established in another member state;

- develop administrative cooperation, making it possible to determine the allocation of tasks between member states of origin and destination and the supervisory procedures applicable in particular to workers temporarily posted.

In view of this objective, the proposal advocates creating a climate of mutual trust between member states in order to remove obstacles to ensuring freedom of movement for services. In order to facilitate the freedom of establishment and the free movement of services in the European Union, the Commission considers it essential to build mutual trust between member states. So we can consider the following adjustments:

- Harmonizing legislation to ensure equivalent protection of the general interest on vital issues such as consumer protection, in particular as regards the obligations of information service providers, professional assurance (in particular professional liability insurance), multidisciplinary activities, dispute resolution and exchange of information on the quality of service providers;[6]
- Strengthening mutual assistance between national authorities with a preponderance of effective oversight of service activities based on a clear distribution of roles between member states and cooperation obligations; the development of measures to promote service quality, such as voluntary certification of activities or cooperation between chambers of commerce; encouraging codes of conduct developed by community stakeholders on specific issues such as commercial communication between professional categories.

#### **4. Regulations on Collective Investments in Securities (OPCVM) and other Collective Investment Funds/Alternative Investment Funds (AOPC / FIA)**

Regarding the Collective Investment Undertakings, there are the following directives and regulations:

Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (Text with EEA relevance) was published in the Official Journal of the European Union L 168/8 dated 30.06.2017. The Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 21 July 2018, with the exception of Article 11 (4), Article 15 (7), Article 22 and Article 37 (4), which shall apply from 20 July 2017.[7]

Directive 2007/16/EC implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (OPCVM) as regards the clarification of certain definitions;

Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (OPCVM);

Commission Directive 2010/43/EU implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, rules of conduct, risk management and the content of the agreement between the depositary and the administration;

Directive no. Commission Implementing Decision 2010/42/EU implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions relating to fund mergers, master-feeder structures and the notification procedure;

Regulation (EU) No. Commission Regulation (EC) No 583/2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met for the provision of key investor information or prospectus on a durable medium than paper, or through a website;

Regulation (EU) No. No 584/2010 of the Commission implementing Directive 2009/65/EC of the European Parliament and of the Council as regards the form and content of the standard letter of notification and attestation of OPCVM, the use of electronic means of communication between the competent authorities for the purposes of notification procedures, procedures for

carrying out on-the-spot checks and investigations and exchange of information between competent authorities;

Directive no. Decision No 2014/91 / EU of the European Parliament and of the Council amending Directive 2009/65 / EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (OPCVM) depository, remuneration policies and sanctions;[8]

Regulation (EU) 2016/1011 on indexes used as reference indices in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014. The Regulation entered into force on 30 June 2016 and will apply from 1 January 2018;

Regulation (EU) 2015/2365 of the European Parliament and of the Council on the transparency of financial operations for the financial instruments and transparency of re-use and amending Regulation (EU) 648/2012, published in the Official Journal of the EU on 23 December 2015;

Commission Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65 / EC of the European Parliament and of the Council as regards depository obligations.[9]

Regarding *Other Collective Investment Organizations / Alternative Investment Funds (AOPC / FIA)* there are the following directives and regulations:

Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (Text with SEE relevance) was published in the Official Journal of the European Union L 168/8 dated 30.06.2017. The Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 21 July 2018, with the exception of Article 11 (4), Article 15 (7), Article 22 and Article 37 (4), which shall apply from 20 July 2017;

Directive no. 2011/61 / EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) 1060/2009 and (EU) No. 1095/2010;

The delegated regulation (EU) no. 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council as regards exemptions, general conditions of operation, depository, leverage, transparency and supervision;

Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds;

Regulation no. 345/2013 of the European Parliament and of the Council on European venture capital funds;

Regulation No.346 / 2013 of the European Parliament and of the Council on European Social Entrepreneurship Funds;[10]

Implementing Regulation (EU) No. 447/2013 of the Commission setting up the procedure for AFIA that opt to be covered by Directive 2011/61 / EU of the European Parliament and of the Council;

Implementing Regulation (EU) No. No 448/2013 establishing a procedure for establishing the reference member state of a non-EU AFIA pursuant to Directive 2011/61/EU of the European Parliament and of the Council;

The delegated regulation (EU) no. 694/2014 of the Commission to supplement Directive 2011/61 / EU of the European Parliament and of the Council as regards the regulatory technical standards governing the types of Alternative Investment Fund Managers;

Third countries (non-EU) with whom A.S.F. has concluded a Memorandum of Understanding on Alternative Investment Fund Managers (DAFIA) Directive 61/2011 / EU: <https://www.esma.europa.eu/content/AIFMD-MoUs-signed-EU-authorities-updated>;

Regulation (EU) 2015/2365 of the European Parliament and of the Council on the transparency of financial operations for the financial instruments and transparency of re-use and amending Regulation (EU) 648/2012, published in the Official Journal of the EU on 23 December 2015.

In other news, the provision of investment services must bear in mind the *directives and regulations on the provision of investment services*:

Regulation (EU) No. No 1095/2010 of the European Parliament and of the Council establishing the European Supervisory Authority (European Securities and Markets Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC;

Directive 2004/39 / EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council repealing Council Directive 93/22/EEC. Link Ro;

Council Directive no. 93/22/EEC on investment services in the securities field;

Commission Directive 2006/73/EC implementing Directive 2004/39/EC of the European Parliament and of the Council on organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;

Regulation (EC) No. Commission Regulation (EC) No 1287/2006 implementing Directive 2004/39/EC of the European Parliament and of the Council on bookkeeping and registration obligations of investment firms, reporting of transactions, market transparency, admission of financial instruments to transactions and the definition of terms in the meaning of the directive in question.

The following directives and *regulations should also be considered in relation to issuers*:

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (Text with EEA relevance) was published in the Official Journal of the European Union L 168/12 dated 30.06.2017. The Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 21 July 2019, with the exception of Article 1 (3) and Article 3 (2), which shall apply from 21 July 2018 and with the exception of Article 1 (5), first subparagraph, points (a) and (b) and the second subparagraph of Article 1 (5)), which shall apply from 20 July 2017;

Commission Implementing Regulation (EU) 2016/347 of 10 March 2016 of laying down implementing technical standards on the exact format of lists of persons having access to inside information and updating the lists of persons having access to information privileged in accordance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council was published in Official Journal of the European Union L 65/49 of 11.03.2016. This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union. It shall apply from 3 July 2016;

Commission delegated Regulation 2016/522 of 17 December 2015 supplementing Regulation (EU) 596/2014 of the European Parliament and of the Council as regards a derogation for certain public bodies and central banks of third countries, market manipulation indicators, publication thresholds, deferred notification authority, closed-ended trading permission and types of transactions by the management staff to be notified has been published in Official Journal of the European Union L 88/1 dated 05.04.2016. The Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 3 July 2016;

Commission Implementing Regulation (EU) 2016/523 of 10 March 2016 laying down implementing technical standards on the format and model for the notification and publication of transactions by management personnel pursuant to Regulation (EU) 596/2014 of the European Parliament and of the Council was published in the Official Journal of the European Union L 88/19 of 05.04.2016. This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union. It shall apply from 3 July 2016;

Commission Regulation (EU) 2016/301 of 30 November 2015 supplementing Directive 2003/71 / EC of the European Parliament and of the Council as regards the regulatory technical standards for the approval and publication of the prospectus and the dissemination of promotional

and promotional communications amending Regulation (EC) No. No 809/2004 was published in the Official Journal of the European Union L 58/13 of 04.03.2016. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

European Commission Delegated Regulation (EU) No 382/2011 of 7 March 2014 supplementing Directive 2003/71 / EC of the European Parliament and of the Council as regards the regulatory technical standards for the publication of leaflet supplements;

EU Delegated Regulation no. 759/2013 amending Regulation (EC) No. 809/2004 as regards information requirements for convertible and exchangeable debt securities;

Directive 2003/71 / EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;

Regulation (EC) No. Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards the information contained in prospectuses, the format of prospectuses, the inclusion of information by reference, the publication of prospectuses and the dissemination of advertising;

Regulation (EC) No. Commission Regulation (EC) No 1289/2008 amending Regulation (EC) No 809/2004 implementing Directive 2003/71 / EC of the European Parliament and of the Council as regards prospectuses and advertising media;

Directive 2004/109/EC of the European Parliament and of the Council on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC;

Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 amending Directive 2004/109 / EC;

Directive 2008/22/EC of the European Parliament and of the Council amending Directive 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as regards the implementing powers conferred on the Commission;

Commission Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market;

Directive 2004/39 / EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council repealing Council Directive 93/22/EEC;

Corrigendum to Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611 / EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council repealing Council Directive 93/22/EEC;

Directive 2003/6 / EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse);[11]

Commission Directive 2003/124/EC laying down detailed rules for the implementation of Directive 2003/6/EC of the European Parliament and of the Council on the definition and publication of confidential information and the definition of market manipulation;

Commission Directive 2003/125/EC on the arrangements for implementing Directive 2003/6 / EC of the European Parliament and of the Council as regards the fair presentation of investment recommendations and the indication of conflicts of interest;

Commission Directive 2004/72/EC on the detailed rules for the application of Directive 2003/6/EC of the European Parliament and of the Council as regards accepted commercial practices, the definition of confidential information on commodity derivatives, the establishment of lists of persons have access to confidential information, the declaration of operations carried out by persons exercising management responsibilities and the notification of suspicious transactions;



EC Regulation Nr. (EC) No 2273/2003 of the European Parliament and of the Council laying down detailed rules for the implementation of Directive 2003/6 / EC of the European Parliament and of the Council as regards exemptions for buy - back programs and the stabilization of financial instruments;

Commission Regulation (EC) No 486/2012 (of 30 March 2012) amending Regulation (EC) 809/2004 as regards the format and content of the prospectus, the base prospectus, the summary and the final conditions and the requirements for advertising.

As regards *stock exchanges and trading systems, the directives and regulations* must be taken into account:

Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council repealing Council Directive 93/22/EEC;

Corrigendum to Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12 / EC of the European Parliament and of the Council repealing Council Directive 93/22/EEC;

EC Regulation Nr. (EC) No 1287/2006 concerning the implementing measures provided for in Directive 2004/39/EC on the keeping of records and recordings by investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and the definition of terms proposed in the 2004 Directive /39/EC;

Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse);

Commission Directive 2003/124/EC laying down detailed rules for the implementation of Directive 2003/6 / EC of the European Parliament and of the Council on the definition and publication of confidential information and the definition of market manipulation;

Commission Directive 2003/125/EC on the arrangements for implementing Directive 2003/6 / EC of the European Parliament and of the Council as regards the fair presentation of investment recommendations and the indication of conflicts of interest;

Commission Directive 2004/72/EC on the detailed rules for the application of Directive 2003/6/EC of the European Parliament and of the Council as regards accepted commercial practices, the definition of confidential information on commodity derivatives, the establishment of lists of persons have access to confidential information, the declaration of operations carried out by persons exercising management responsibilities and the notification of suspicious transactions;

EC Regulation Nr. Commission Regulation (EC) No 2273/2003 laying down detailed rules for the implementation of Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy - back programs and the stabilization of financial instruments.

The *Financial Conglomerates Directive* is also important.

Directive 2002/87/EC on the supplementary supervision of credit institutions, insurance companies and investment firms in a financial conglomerate.[12]

The *rating agencies* must also be taken into account.[13]

Regulation No. 1060/2009 on rating agencies and rectification to Regulation no. 1060/2009 on rating agencies.

These directives and regulations have been introduced to create an environment conducive to economic exchanges between the European Union member states and to bring Romanian financial markets to western standards of economic development. Liberalizing the flow of services in Europe creates an interdependence that makes the economy work. Over time, it has been chosen to remove barriers to the movement of services and also to build confidence between the member states of the European Union.

## 5. Conclusions

In the generic mass of services, financial services play a distinct place of vital importance in the community development strategy.

The free movement of services implies the abolition of restrictions for the freedom of movement / establishment of self-employed persons / firms, their employees and their families.

Harmonization of legislation should be envisaged in order to ensure an equivalent protection of the general interest on vital issues such as consumer protection, in particular as regards the obligations of service providers relating to information, professional assurance, multidisciplinary activities, dispute resolution and exchange of information on the quality of service providers.

We propose strengthening mutual assistance between national authorities with a preponderance of effective oversight of service activities based on a clear distribution of roles between member states and cooperation obligations.

We are also committed to developing measures to promote service quality, such as voluntary certification of activities or cooperation between chambers of commerce.

Another direction for streamlining financial markets is to encourage codes of conduct developed by community stakeholders on certain issues such as business communication between professional categories.

The purpose of the European Union's financial services policy is to create an integrated, single and wide European market, subject to the same legislation, cooperation and practice, whereby financial services can operate across borders to achieve the free movement of capital and services. Policies address both wholesale markets (corporations and capital) as well as retail markets (individual customers of small amplitude).

There are two key levels where financial services, working with financial resources (money or cash), can be met. At the level of wholesale sales, investors and companies also issue, buy and sell shares; they gather capital and operate with different financial instruments on the capital market. Banks, mortgages, insurance and investment companies are vehicles that own and circulate money in different ways. At retail level, consumers buy mortgages, insurance policies, pension schemes, and savings plans. Each Member State has its own set of rules governing such transactions.

EU policy has been to establish a comprehensive set of rules that allow companies to establish themselves in any member state and operate cross-border, using compatible set of rules. Similarly, consumers are granted access to shares, bonds, mortgages and any similar products available in countries other than the home country. Efforts are being made both in the European Union and in the wider international context.

Within the European Union, efforts to promote financial services integration have begun since 1973, but interest in a global framework has become imperative at the 1998 Cardiff European Council meeting. The Commission has prepared the Financial Services Action Plan (FSAP) to address issues related to inflexible market structures, legal and supervisory barriers, and administrative difficulties. The FSAP has become the cornerstone of the Commission's long-term economic program, developed in 2001 at the Lisbon Council. Substantial progress has been made towards integrating the wholesale financial market by almost fully implementing the FSAP at the end of 2004 (93% of the measures were adopted). At the level of retail transactions, progress has been slower: simple legislative change, in a vast area where cultural, linguistic and historical differences play an important role, can not be an effective way of progress and ongoing debates on the best way to facilitate consumers' access to financial products and to benefit from the FSAP measures, the Single European Payments Area, corporate governance, settlement systems and corporate law reform.

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- [12] \*\*\* <http://economie.gov.ro/>.