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FOR IMMEDIATE RELEASE

EEC COMMISSION PROPOSES FURTHER LIBERALIZATION OF CAPITAL MARKETS ^(movements)

WASHINGTON, D.C., February 15 -- The Commission of the European Economic Community has amended and resubmitted to the Council of Ministers its proposal for a third Council directive to improve capital mobility in the Community, it was announced in Brussels yesterday.

The first two Council directives required the six Community countries to remove exchange controls on capital transfers between them. The third proposed directive would eliminate other legal, administrative, and regulatory restrictions on capital movements. Specifically, the third proposed directive would prohibit restrictions based on nationality in the issue of foreign securities in domestic capital markets and stock exchanges and the acquisition of these securities by financial institutions.

The Commission explained that its amendments are intended to ensure reciprocity among the six member countries. Up to a specified ceiling, EEC countries still maintaining restrictions would be required to authorize the issue of other member countries' securities locally and to liberalize all medium- and long-term financial credit not exceeding a set amount.

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