



## NEWS RELEASE

Tuesday 1 April 2008

### **EU-US Coalition on Financial Regulation sets out its proposed framework for establishing a more efficient transatlantic marketplace**

On Monday 31 March 2008 the EU-US Coalition on Financial Regulation (“The Coalition”) issued its second report on cross-border regulation, *“Mutual Recognition, Exemptive Relief and “Targeted” Rules’ Standardisation: The Basis for Regulatory Modernisation”*. The Report argues strongly for the early adoption of a tailored and progressive regime for establishing a more open, inclusive and effectively regulated transatlantic marketplace to the benefit of all users, including investors, issuers, providers of financial services, market infrastructure providers and regulatory authorities.

The Coalition believes its report is broadly consistent with the aims and objectives behind the series of actions announced by the Securities and Exchange Commission (SEC) on 24 March 2008, but this is subject to the conditions for recognition and the detail of the proposed reforms to Rule 15a-6.

In summary, the Report:

- (a) emphasises the need for urgent regulatory action to meet growing customer and financial service provider needs for more open transatlantic rights of access to non- domestic markets, products and services (particularly pressing in the context of wholesale institutional business);
- (b) proposes the adoption of three “gateways” to establishing greater international regulatory coherence, namely, exemptive relief (essentially for wholesale business), regulatory recognition and “targeted” rules’ convergence;
- (c) argues strongly for regular and consistent industry input into the transatlantic regulatory dialogue to ensure that its commercial as well as its regulatory targets are delivered;
- (d) sets out several prioritised areas of regulation where financial service providers and their counterparties and customers would benefit from greater harmonisation.
- (e) proposes that the basic starting point for measuring regulatory quality and establishing an internationally acceptable basis for recognition are the IOSCO “Objectives and Principles of Securities Regulation”; and
- (f) concludes that the delivery of a more free-flowing transatlantic market will enhance competition, reduce transactional costs, broaden customer choice and streamline financial services regulation to the benefit of all “stakeholders”, including the regulatory authorities.

**Anthony Belchambers, Chief Executive of the FOA** and founder of the Coalition, said “Global markets and services call for coherent global regulation. The current mix of differentiated and, sometimes, conflicting national regulations is confusing and an unnecessary cost for customers and their financial service providers. This Report sets out a roadmap for establishing a more coherently regulated and open transatlantic marketplace, but without any loss in regulatory standards or efficiency.”

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**Notes for Editors / Contact Details attached**



## Notes for Editors / Contact Details

The EU-US Coalition on Financial regulation comprises eleven European and North American industry associations, namely:

ABA Securities Association (ABASA)	<a href="http://www.aba.com">www.aba.com</a>
Bankers' Association for Finance and Trade (BAFT)	<a href="http://www.baft.org">www.baft.org</a>
British Bankers' Association (BBA)	<a href="http://www.bba.org.uk">www.bba.org.uk</a>
Futures Industry Association (FIA)	<a href="http://www.futuresindustry.org">www.futuresindustry.org</a>
Futures and Options Association (FOA)	<a href="http://www.foa.co.uk">www.foa.co.uk</a>
International Capital Markets Association (ICMA)	<a href="http://www.icmagroup.org">www.icmagroup.org</a>
Investment Industry Association of Canada (IIAC)	<a href="http://www.iiac.ca">www.iiac.ca</a>
International Swaps and Derivatives Association (ISDA)	<a href="http://www.isda.org">www.isda.org</a>
London Investment Banking Association (LIBA)	<a href="http://www.liba.org.uk">www.liba.org.uk</a>
Securities Industry and Financial Markets Association (SIFMA)	<a href="http://www.sifma.org">www.sifma.org</a>
Swiss Bankers Association (SBA)	<a href="http://www.swissbanking.org">www.swissbanking.org</a>

The Futures and Options Association (FOA) provides the Secretariat to the Coalition - for further information please contact:

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