Ignacio García Bercero, [Art. 4.1(b)] FISMA and [Art. 4.1(b)] had a meeting with Finance Watch [FW] and Centre for research of Multinational Companies [SOMO] (date: 10/09/2015 in Bruxelles).

FW raised the following issues:

On regulatory cooperation:

- FW questioned whether the Commission's intentions in financial services are indeed to strengthen prudential stability through the regulatory cooperation as it seems that the Commission care more about profitability of banks than prudential stability. In this context they pointed out the following deficiencies in the EU's response to the crisis:
  - Commission's response to systemic risks caused by Too Big Too Fail (TBTF) companies is poor. And the risks are significant: (i) Financial problems in one of those companies can undermine financial stability of the whole system. (ii) The EU has 50% of TBTF companies. (iii) There are interconnections between those institutions and other market participants through rapidly growing investment activities, (iv) TBTF exposed to the same risks and respond to them in the same manner, (v) TBTF have lower capitalization than other financial institutions in accordance with Basel rules.

- The Commission hasn't done enough to regulate shadow banking.

- The Commission focuses on micro-prudential regulation and missed systemic risks

- FW against transparency and more consultation, because this will be used mainly by financial institutions who have more resources for financial lobbying as compared to NGOs. Already the current situation is unbalanced. (FW doesn't like also Timmerman's "Better regulate package"). FW encourage the Commission to address the balance by engaging more with civil society.

- The risk is that the Commission will focus in IA on cost/benefit analysis as it is the case in the US.

On liberalization of financial services SOMO was concerned by:

- the Commission may liberalize trade in Over-The-Counter derivatives.
- Bans of certain products are not compatible with market access obligation
- Necessity text in the prudential exception may expose the EU to legal challenges.
Not clear why the EU proposes that licencing procedures should be unambiguous, transparent, objective. This can lead to a legal risk.