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From: [Art. 4.1(b)] (FISMA)

Sent: Thursday, July 23, 2015 1:08 PM

To: [Art. 4.1(b)] (FISMA)

Cc: [Art. 4.1(b)] (FISMA)

Subject: TTIP - FS regulation - meeting BEUC (read-out)

FYI

[Art. 4.1(b)] (TRADE) and I met with Monique Goyens, Director of BEUC. BEUC recently published a paper on TTIP stating that financial regulation should be dealt with, internationally, in FSB, IOSCO (and others), but not in a trade treaty.

BEUC **has an issue with the objectives** of the suggested regulatory cooperation – which focus primarily on strengthening financial stability and **not enough** (in BEUC's view) **on consumer protection**. The reference to depositors and investors protection in the prudential carve out does not seem to suffice to them. When giving examples, BEUC focused on retail finance – claiming that action to address irresponsible mortgage lending would fall into the prudential domain.

BEUC puts forwards that the suggested framework for EU/US cooperation – the financial services regulatory forum would actually **provide an avenue for industry lobby**. BEUC points out that the industry has more resources to influence the regulatory process than the consumers. BEUC admitted that it is somewhat counter-intuitive to criticise more transparency, but they fear that they would be overwhelmed by the heavy process of the regulatory forum, not being able to react and ultimately the consumers would lose.

The more traditional argument that financial stability would necessarily suffer if financial regulation is discussed in a "pro-liberalisation" trade agreement was less pronounced at this meeting.

BEUC mentioned two particular issues of interests in TTIP: data protection and credit registers. These two issues are to be discussed at the next meeting, provisionally scheduled for September.

Comments:

It would seem that BEUC considers the two issues above intertwined and therefore we may look into more emphasis on consumer protection when we move to detailed drafting of the framework for regulatory cooperation.

BEUC seems to read the suggested provisions of the horizontal regulatory chapter (for goods and services) and the suggested provisions for financial services together. This is perhaps very logical, but this approach reads in to the financial part things that we are not really envisaging.

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