



EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels, 23 NOV. 2017
fisma.01/ (2017)6385887

**NOTE TO THE ATTENTION OF
JEAN-LUC DEMARTY (TRADE)
IGNACIO BERCERO (TRADE)**

Subject: CETA Regulatory Cooperation on Financial Services

Ref.: Ares (2017)5480178

Cher Jean-Luc, Dear Ignacio,

In reply to your request for contributions on regulatory cooperation in CETA, I am writing to share with you DG FISMA's understanding regarding the governance of regulatory cooperation in the field of financial services. This note complements the prior request I made to DG TRADE that DG FISMA should act as co-chair of CETA's Financial Services Committee.

In our view the special nature of financial services requires that their regulation is discussed on its own terms and that such discussion takes place in the CETA body which is best equipped for it, i.e. the Financial Services Committee. This Committee will be composed of experts in financial services regulation and should be co-chaired by DG FISMA. Canada has also designated its financial regulator as co-chair of the Committee through an explicit mention in the treaty itself.

While it may seem obvious that regulatory cooperation should take place in the Financial Services Committee, I acknowledge that the treaty itself does not entirely reflect this understanding as the wording of the Chapter 21 on regulatory cooperation presents a non-exhaustive list of areas to be covered. However, we believe that the regulatory cooperation provisions specific to financial services are embedded in the financial services chapter and that these provisions should be treated as *lex specialis* taking precedence over horizontal arrangements foreseen in Chapter 21.

I kindly ask you to confirm that DG TRADE and DG GROW have the same understanding of financial regulatory cooperation in CETA.

Naturally, DG FISMA will associate DG TRADE to the work of the Financial Services Committee.

I take the opportunity to remind you that [REDACTED]
financial services policy and international affairs unit. should be put in copy of all
correspondence with DG FISMA which concerns international affairs.

[REDACTED]

Olivier GUERSENT

Copies: Lowri EVANS (GROW) Eric MAMER (GROW)

[REDACTED]
(FISMA)