



August 10, 2011

The Honorable Joseph Biden
The Vice President
The White House
Washington, D.C. 20500

Re: Access to China's Financial Markets

Dear Vice President Biden:

The undersigned members of the **ENGAGE CHINA** coalition write to you ahead of your trip to China to applaud the Administration's ongoing commitment to build upon the critical U.S. - China economic partnership – one of the most important bilateral relationships in the world. U.S. goods and services companies continue to face obstacles that prevent full and fair access to China's markets. This is particularly the case with respect to the U.S. financial services sector. Successfully addressing these obstacles is an essential component of the broader effort to realign our economies in the wake of the global financial crisis, which the G20 is promoting and President Barack Obama and President Hu Jintao have embraced.

Consequently, as you meet with your Chinese counterparts, we respectfully urge you to advocate for greater market-opening reforms in China's financial services sector. Continued reform and modernization of China's financial sector is essential if China is to achieve its own economic goals of maintaining high rates of economic growth and job creation, and building a more services-based, consumer-driven economy – goals very much in the interest of the United States. Such reform should focus on achieving the following core objectives: (1) eliminating barriers to foreign participation in China's financial sector; (2) eliminating limits on foreign investment in Chinese financial entities, corporate forms of choice, geographic expansion, and product offerings; (3) ensuring that foreign financial sector participants and investors receive the same treatment from regulators and other authorities as domestic investors; (4) improving regulatory and procedural transparency; and (5) developing a deeper and more liquid corporate bond market.

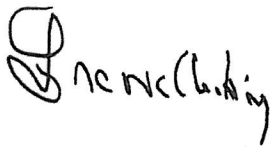
Economic rebalancing will require China to open its financial sector to greater participation by foreign financial services firms. Foreign financial institutions would bring to China world-class expertise and best practices with regard to products and services, technology, credit analysis, risk management, internal controls, and corporate governance. By helping to provide the financial products and services that China's citizens and

businesses need to save, invest, insure against risk, raise standards of living, and consume at higher levels, foreign financial institutions can provide better opportunities for Chinese savers, which will support more balanced economic growth, within China and internationally.

Finally, China's financial services sector reform should reflect its inclusion and active participation in the global financial system. With its membership in global bodies such as the G20, the Financial Stability Board, the Executive Committee of the International Organization of Securities Commissions, the Basel Committee on Banking Supervision, International Association of Insurance Supervisors, and World Trade Organization, China has committed to working cooperatively with the international financial community. We believe the commitments agreed to within these bodies, as well as those made during President Hu's visit and within the Strategic and Economic Dialogue, should be upheld and enforced in a consistent and transparent manner within the Chinese financial markets.

Again, we thank you for your commitment to this important bilateral relationship. We look forward to working with the Administration to secure a strong and sustainable global economic recovery – including a more productive and balanced economic relationship with China.

Sincerely,



Gov. Frank Keating
President and CEO
American Bankers Association



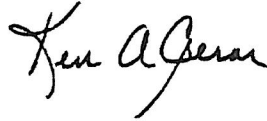
DIRK KEMPTHORNE
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American Insurance Association



Donna K. Alexander
Chief Executive Officer
BAFT-IFSA



Ken A. Crerar
President
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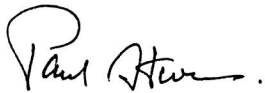
Robert S. Nichols
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Insured Retirement Institute



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T. Timothy Ryan, Jr.
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cc:

The Honorable Lael Brainard, Under Secretary for International Affairs, Department of the Treasury

The Honorable Michael Froman, Deputy Assistant to the President and Deputy National Security Adviser for International Economic Affairs

The Honorable Robert Hormats, Under Secretary of State for Economic, Energy and Agricultural Affairs, State Department

Mark Sobel, Deputy Assistant Secretary for International Monetary and Financial Policy, Department of the Treasury

David Loevinger, Senior Coordinator and Executive Secretary for China and the Strategic and Economic Dialogue, Department of Treasury

David Dollar, Economic and Financial Emissary, Department of the Treasury