

March 20, 2013

Delivered by Email: International-OIRA@omb.eop.gov

Re: SIFMA Position on the Transatlantic Trade and Investment Partnership

The Securities Industry and Financial Markets Association¹ is pleased to respond to the joint request of the Office of the United States Trade Representative (USTR), the Office of Management and Budget (OMB), and the European Commission's Enterprise and Trade Directorates-General, for comments on "Promoting US EC Regulatory Compatibility". The purpose of this request is to obtain input from the public on how to promote greater transatlantic regulatory compatibility generally as well as in specific economic sectors. SIFMA respectfully requests the opportunity to present testimony at the Public Meeting, to be held April 10–11, 2013.

SIFMA supports efforts to negotiate a comprehensive trade and investment agreement because it presents a unique opportunity to enhance the efficiency of the transatlantic financial markets, facilitate trade, and result in lower cost products to investors and issuers. In order to deliver its full potential, it is imperative that provisions for the financial services sector are an integral part of this Partnership. Financial service discussions would be in recognition of the integrated nature of the transatlantic financial markets, and the essential role they play in supporting the trade and investment flows between the two regions. Continuing to view the regulation of these markets in isolation is no longer the best approach to protecting investors, enhancing financial stability, promoting efficient and transparent markets, or facilitating capital formation. For transatlantic financial regulatory cooperation, we are asking for a more coordinated, transparent process for addressing the development and implementation of existing and future financial regulations. The following key principles would underpin this process:

1. Transparency
2. Coordination
3. Mutually agreed upon objectives
4. Impact assessments that minimize unintended consequences
5. Avoidance of extraterritorial effect
6. Avoidance of creating a barrier to trade and investment when alternatives exist that will allow government objectives to be attained.

The US and EU financial services sectors are heavily regulated industries. These strong domestic regulatory traditions complement significant G20 regulatory reforms that are either underway or implemented. Such reforms are designed to strengthen regulation but the process

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to develop policies and practices which strengthen financial markets and which encourage capital availability, job creation and economic growth while building trust and confidence in the financial industry. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

has not resulted in coordinated or consistent approaches. In particular, we are concerned about duplicative, incompatible, or conflicting requirements, regulatory uncertainty, and the impact that these will have on competition and consumer choice. Fragmented or conflicting regulation – even when the policy objectives are the same – would negatively impact the ability of market users and participants to raise capital, manage risk and contribute to economic growth.

The experience following the financial crisis demonstrates it is imperative to develop mechanisms for coordinating national regulatory policies in a more effective and efficient manner in order to ensure that regulation is consistent. The FMRD, TEC, G-20, and FSB discussions reflect the importance of resolving differences in a constructive way. A potential U.S.-EU TTIP provides the best opportunity to take this work further to address existing and future issues by creating a process for discussing issues at an early stage, with mechanisms to resolve differences. A financial services regulatory framework between the U.S. and EU would facilitate and guide efforts to promote consistent high-quality regulatory standards in global markets.

We appreciate the open process that the U.S. and EU have put in place for these negotiations, and would welcome the opportunity to provide testimony at the upcoming Public Meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Bentsen", with a stylized flourish at the end.

Kenneth E. Bentsen, Jr.
Acting President & CEO