



Brexit Symposium

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President and CEO of SIFMA

Remarks as prepared for delivery

Good morning. I'm Ken Bentsen, SIFMA president and CEO. I'd like to thank you all for joining us here today for what will no doubt be an insightful symposium on Brexit's impact on the financial services industry.

Aside from serving as president and CEO of SIFMA, I currently serve as CEO of the Global Financial Markets Association, or GFMA. The GFMA is the umbrella organization for SIFMA and our affiliates in Europe and Asia – AFME and ASIFMA. I'd like to recognize my counterpart at AFME in London, Simon Lewis, and his colleagues for their extensive work on Brexit. You will hear from Simon momentarily via a pre-prepared message he recorded a few days ago especially for this event.

The United States has a long-standing relationship with the European Union and its member states, and we are fortunate to have our counterparts at AFME to help foster cooperation and calibration on the regulatory front, and provide us with insight from Europe on Brexit's impact on the financial services industry.

While Brexit is a uniquely UK and EU issue, its resolution will have significant impact on the global economy, including global financial markets. Brexit is an issue that is new to all of us, and one that comes with many complexities and questions. Because of the role the City of London plays, it is an issue that will likely impact our work and that of our members for many years. Today's symposium is meant to explore some of the challenges the industry may face over the next few years.

As we raise these questions, it is important also to think about the impact on our global capital markets. Global firms in the US, EU and Asia could feel a direct impact from the UK's departure. Over the years, our markets have transcended borders to form a more seamless global economy. We should not regress back to the days of fragmented markets and in fact it's been the agenda of the EU to establish more coordinated markets, most recently through the Capital Markets Union initiative.

For years, the US and EU have worked closely on many regulatory issues with a goal of harmonization and cross-border coordination, and we will have many questions moving forward on the impact of Brexit. For example, SIFMA has raised concerns on the issue of uncleared margin and the EU's decision to delay the finalization and implementation of its



margin requirements for uncleared derivatives beyond the agreed upon start date. How will Brexit impact this type of agreement?

We are also closely following Basel IV reforms. SIFMA believes that the Basel Committee should focus its attention on a harmonized implementation of existing rules rather than piling on another layer of regulation before existing rules have fully taken effect. How will Brexit impact this goal of harmonization? Will it pose new challenges?

What about the future of TTIP and other global trade agreements? SIFMA has long-supported TTIP and more specifically the inclusion of a financial services framework for regulatory cooperation within TTIP. What role will the UK play in future negotiations upon its exit from the EU? How will its exit impact our goal of regulatory cooperation?

Most important is that as the UK and EU negotiate the terms of Brexit, it is critical that such a process is transparent, providing ample transitional relief for financial firms to adjust to the new regime, whatever that may be.

Because of the uncertainties stemming from Brexit and the impact on global markets, including US markets, today, SIFMA along with other fellow trade associations is sending a letter to US Secretary of the Treasury Jack Lew, calling for the US government to urge its counterparts in the UK and EU to ensure the Brexit negotiations are conducted in as transparent a fashion as possible; that stakeholders from the business and financial services community be actively consulted; that both sides seek to embed future arrangements in global standard setting; that policy makers establish a timely provisional, transitional arrangement to help financial services firms to navigate and adapt to any institutional or legal changes underpinning inter EU/UK trade and investment relationships.

Today our panel of experts will attempt to tackle some of the questions around Brexit as well as discuss the economic and political implications and the future of London as a financial center in a post-Brexit world. Following the speakers, we will have a networking lunch. I encourage you all to stay and engage further on the topic with your peers and colleagues.

You can now hear a brief pre-prepared message from Simon Lewis, who regrets he could not be here today. Simon Lewis has served as AFME's CEO since October 2010. Previously, Simon was Director of Communications and the Prime Minister's Official Spokesman at 10 Downing Street. He has held a number of senior corporate roles including Head of Public Relations at S.G. Warburg Group and Director of Corporate Affairs at Vodafone, Centrica and NatWest. In 1998, Simon was appointed as the first Communications Secretary to The Queen. He is also an Officer of the Most Excellent Order of the British Empire.

Now, a message from Simon Lewis.



[Video Plays]

It is now with great pleasure that I introduce our first speaker, Dr. Bill Lee, who will give us an overview on the economic implications of Brexit. Bill currently serves as managing director and Head of North America Economics at Citi Economic Research Group, after serving 2½ years as Citi's chief economist. Prior to joining Citi, Bill had served as an economist with the Federal Reserve System Board of Governors in Washington, and later as a senior economist at the Federal Reserve Bank of New York. Prior to that, Bill was Deputy Division Chief at the International Monetary Fund (IMF) where, among other accomplishments, he established its Hong Kong office, improved financial market surveillance protocols, and was the IMF Resident Representative to Hong Kong from 2000 to 2003.

Ladies and gentleman, please welcome Dr. Bill Lee.