



September 11, 2017

President Donald J. Trump
1600 Pennsylvania Avenue, NW
Washington, DC 20006

Dear President Trump:

The Securities Industry and Financial Markets Association (SIFMA)ⁱ welcomes the opportunity to support the Trump Administration in deepening trade and investment linkages between the U.S. and Malaysia. Your upcoming meeting with Prime Minister Najib Abdul Razak of Malaysia provides a unique opportunity to strengthen the U.S.-Malaysia economic relationship by addressing important barriers to bilateral trade and investment.

Accordingly, during this discussion, SIFMA encourages you to address the moratorium on outsourcing systems, applications and processes imposed on foreign banks in 2013 by the Bank Negara Malaysia, and the recent indication that Malaysia will soon revise its outsourcing policy to require the on-shoring of data. These types of measures are counterproductive, as they fragment the global operations of firms, increase cybersecurity risks, and inhibit cross-border trade and investment. Financial institutions recognize that they must provide data to regulators for them to perform their regulatory and supervisory roles, however, the location of the computing facilities or cloud that houses the data has no bearing on their ability to ensure access to that data. The US policy adopted on cross-border data flows and prohibition of data localization measures in the financial sector recognizes these important facts. We hope you will encourage Malaysia to instead pursue policy approaches that help deliver efficient and secure cross-border data flow, without adversely harming trade and investment flows that support economic growth.

We welcome opportunities to further support the Administration's dialogue with Malaysia on trade and investment issues. Please feel free to contact Peter Matheson (pmatheson@sifma.org or 202-962-7324) should you desire additional information.

Sincerely,

Kenneth E. Bentsen, Jr.

CC:

- Lailee Moghtader, Director, Trade and Investment Office, U.S. Treasury
- Douglas Bell, Deputy Assistant Secretary for Trade and Investment, U.S. Treasury
- Robert Lighthizer, U.S. Trade Representative
- Daniel Bahar, Assistant U.S. Trade Representative for Services and Investment
- Mathew Haarsager, Special Assistant to the President and Senior Director for Global Economics and Finance at National Security Council / National Economic Council
- Merry Lin - Director for Global and Asia Economics at the White House National Security Council

ⁱ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$18.5 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.