



Mr Michel Barnier  
Commissioner Internal Market and Services  
European Commission  
200 Rue de la Loi  
1049 Bruxelles

26 November 2012

Dear Commissioner,

Since the outbreak of the financial crisis, European and international regulators have taken important initiatives to address the causes of the crisis and the failures in the system. European business has given its strong support to initiatives by policy makers which seek to address the regulatory failures that led to the crisis and at the same time recognise the importance of maintaining access to capital for companies and preserving market liquidity.

Our support has been based on the recognition that in order to deliver global financial stability, regulation needs to be strengthened across the globe. We support there being some flexibility regarding the application of global rules to take account of regional specificities but any significant failure to deliver a global level playing field risks not only undermining financial stability in the EU through increasing scope for regulatory arbitrage, but undermining the competitiveness of banks and companies operating in the EU and therefore broader growth and employment. Considering the importance of global financial stability, it is key that banks will hold sufficient capital to avoid a repeat of the financial crisis. It is similarly important that the Transatlantic financial market place is open and that we move towards convergence of regulations.

In this context, we are concerned about the announcement by the United States of a postponement in implementation of the Basel III prudential rules for banks. The proposals for revision of the capital requirement rules (CRD IV/CRR) are fundamental for financial market stability in the EU. Any unilateral approach in this area needs to be avoided. The G20 called for greater international co-operation and consistency and it is thus vital that third countries also implement the Basel bank reforms in accordance with their commitments at the G20 meetings.

We hope that you will be able to contribute to ensuring that a coordinated approach is taken in this area. We remain at your disposal should you wish to discuss this subject further.

Yours sincerely,

Philippe de Buck