

## **Improvements in U.S.-EU Regulatory Cooperation**

Since 2002, the Financial Markets Regulatory Dialogue (FMRD) has acted as a valuable forum between the European Union and the United States to inform each other of regulatory issues of interest and concern. With the worst of the global financial crisis now behind us, there has been significant law- and rule-making activity worldwide, largely, but not exclusively, spearheaded by the G-20 reform agenda. Confidence in both financial systems is returning, but continued cooperation to achieve regulatory objectives remains warranted. This strengthens the case for even more purposeful bilateral regulatory cooperation geared towards the further promotion of financial stability; investor and consumer protection; fair, orderly, and efficient markets; and capital formation on both sides of the Atlantic.

The FMRD now bears a name that better explains its activities: **Joint EU-U.S. Financial Regulatory Forum (“the Forum”)**. The Forum should be understood to represent the views of the European Commission and the U.S. Treasury staff, incorporating input from other participants.

The Forum should be used as a platform for enabling regulatory cooperation as early as practicable in our respective law-making and rule-making processes, with the general operational objective to improve transparency, reduce uncertainty, identify potential cross-border implementation issues, work towards avoiding regulatory arbitrage and towards compatibility, as appropriate, of each other’s standards, and, when relevant, promote domestic implementation consistent with international standards. It goes without saying that our regulatory dialogue should not restrict the ability of either jurisdiction to implement regulatory or other legal measures that it considers appropriate. Bilateral contacts may continue, as appropriate, outside the Forum on any issue related to our ongoing regulatory cooperation.

The Forum will continue to meet twice a year, and will include additional technical meetings and calls, as appropriate, between the biannual meetings.

The Forum may also undertake, as appropriate and in a manner consistent with applicable policy, law, and good administrative practices, and to the extent that such information is available and can be shared with foreign authorities, a number of additional activities, for example:

- The sharing of information to allow timely identification of potential cross border implementation issues;
- The sharing of data-driven economic and risk analysis;
- Discussions about potential economic impacts of proposed rules; and,
- Exchanges of views on regulatory issues in bilateral contexts and, as appropriate and relevant in specific areas, on issues of cooperation in multilateral contexts.

Reflecting the interest of both sides in enhancing financial regulatory cooperation, the Member of the Commission responsible for Financial Stability, Financial Services and the Capital Markets Union and United States Secretary of the Treasury should meet once per year to discuss financial regulatory matters and, in particular, to review the functioning of the Forum.