

VALDIS DOMBROVSKIS

Vice-President of the European Commission

Brussels, 18 July 2016

Mr Jacob J. LEW
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
USA

Following discussions between officials of the European Commission and the United States Treasury, I have the honour to confirm the attached understanding with respect to our financial regulatory cooperation.

Since 2002, the *Financial Markets Regulatory Dialogue (FMRD)* has acted as a valuable forum between the European Union (EU) and the United States (U.S.) 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 overcome regulatory challenges 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.

With this in mind, and without prejudice to EU and U.S. negotiations in the context of the Trans-Atlantic Trade and Investment Partnership, the European Commission suggests to work with the U.S. Treasury, in future, on the basis described in the enclosed document.

If the enclosed suggestions are acceptable to the U.S. Treasury, I have the honour to propose that this letter and your reply confirming that you share this understanding should form the basis for more purposeful EU-U.S. regulatory cooperation from now onwards. In the interest of clarity, this exchange of letters does not create rights or obligations under international or domestic law.

A handwritten signature in black ink, appearing to read 'V. Dombrovskis', with a long horizontal stroke extending to the right.

Valdis DOMBROVSKIS

Encl.