

## U.S. DEPARTMENT OF THE TREASURY

### Press Center



## Readout of Meeting between U.S. Secretary of the Treasury Tim Geithner and European Commissioner Michel Barnier

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U.S. Treasury Secretary Timothy Geithner and European Commissioner Michel Barnier met today and reaffirmed their strong determination to cooperate closely in strengthening the global financial system and in putting in place the G-20 financial reform agenda.

They agreed that the United States and the European Union, as the world's two largest economies and financial systems, have a special responsibility to promote and implement stronger global financial standards, reduce the scope for regulatory arbitrage and work toward greater regulatory convergence.

They reviewed the progress in implementing the G-20 financial regulatory commitments made at the London and Pittsburgh Summits. In particular, they agreed on the importance of reducing systemic risk and the too-big-to-fail problem by raising prudential standards through implementing the G-20 Leaders commitments including: stronger capital and liquidity requirements; a leverage ratio; a global framework for comprehensive regulation of OTC derivatives markets; and stronger crisis management and resolution tools so as to allow regulators to manage the failure of a major firm without exposing taxpayers to losses. They also reaffirmed their support for the G-20 Leaders commitments on accounting convergence.

Secretary Geithner and Commissioner Barnier agreed that in translating internationally agreed principles and standards into their respective markets, both sides should focus pragmatically on achieving broadly equivalent outcomes in the context of their different historical and legal traditions. In reviewing a range of U.S. and EU priority issues, including the Alternative Investment Fund Management Directive, they reaffirmed their support for the principle of non-discrimination and the importance of maintaining a level playing field. Both sides agree that within their respective legal systems and in coordination with the Basel Committee on Banking Supervision, they will work towards a common implementation date in 2011 for the Basel trading book rules.

They agreed to stay in close and regular contact so that the United States and European Union can continue to work together to ensure robust implementation of all of the G-20 commitments, address specific issues that have arisen in the U.S./EU context, and further support and strengthen our ongoing financial market regulatory dialogue.

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