

Joint Statement on the U.S.-EU Financial Regulatory Forum

February 12, 2019

Washington – U.S. and EU participants in the U.S.-EU Joint Financial Regulatory Forum met on February 5-6, 2019 in Washington, D.C. to exchange views on financial regulatory developments as part of their ongoing regulatory dialogue.

EU participants included representatives of the European Commission, European Banking Authority (EBA), European Securities and Markets Authority (ESMA), European Insurance and Occupational Pensions Authority (EIOPA), European Central Bank (ECB), Single Supervisory Mechanism (SSM), and Single Resolution Board (SRB).

U.S. participants included officials from the U.S. Department of the Treasury and staff from independent regulatory agencies, including: the Board of Governors of the Federal Reserve System (FRB), Commodity Futures Trading Commission (CFTC), Federal Deposit Insurance Corporation (FDIC), Securities and Exchange Commission (SEC), and Office of the Comptroller of the Currency (OCC). U.S. participants expressed views on issues in their respective areas of responsibility.

At the meeting, U.S. and EU participants discussed financial supervisory and regulatory developments and future priorities. They exchanged views on the impact of the withdrawal of the UK from the EU on international financial markets. In the area of banking, participants discussed the implications of host-country regulation on foreign banks, including, for example, foreign funds under the Volcker Rule. U.S. banking participants provided an update on recent developments in U.S. resolution planning for foreign and domestic global systemically important banks. Participants reiterated the benefits of timely and consistent implementation of international standards for internationally active banks.

Regarding capital markets, relevant participants discussed supervision and regulation of cross border activities and ongoing work by the International Organization of Securities Commissions on fund leverage. EU participants updated U.S. participants on open legislative files, including the review of the European Supervisory Authorities, the investment firm review, and the proposed framework for central counterparty (CCP) supervision embodied in EMIR 2.2 and its implications for third country CCPs. In addition, U.S. participants updated EU participants on

the CFTC Chairman's proposals on cross-border swaps regulation and the implications for EU markets and institutions. EU participants provided an update on the status of equivalence for SEC-regulated CCPs. U.S. and EU participants discussed the application of post trade reporting requirements.

Additional topics included views on emerging financial technologies, the implications of the General Data Protection Regulation for transfers of personal data, the implementation of the tax reform in the United States that has implications for internationally-active financial institutions, and EU proposals on sustainable finance.

In the field of insurance, participants exchanged updates on the status of implementation of the U.S.-EU Bilateral Agreement on Prudential Measures regarding Insurance and Reinsurance, and look forward to discussing in depth at the upcoming meeting of the Joint Committee.

Participants acknowledged the importance of the Forum in fostering ongoing dialogue between the U.S. and the EU in recognition of the nature of the global financial markets. Cooperation in financial services should seek to ensure that our regulatory frameworks continue to safeguard financial stability, investor protection, market integrity, and promote a level playing field. Participants also welcomed the deepened cooperation since the launch of the Forum's enhanced dialogue.

Participants will continue to engage on these topics, as well as on other topics of mutual interest ahead of the next Forum meeting, which is expected to take place in Brussels in the summer of 2019.

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