

## EU Engagement: Extending the Brussels agenda to Member States

### UPDATE

In March 2012, the IRSG Council adopted a new strategy aimed at expanding the IRSG's engagement beyond Brussels to national capitals, given that many actors in Brussels (MEPs, Permanent Representations) have their views shaped and determined by their home governments. The strategy aimed to establish a dialogue with national policymakers, business and trade associations and civil society representatives in Member States.

This note summarises the key developments since this strategy was adopted 18 months ago.

#### **Key achievements for 2012/2013**

By the end of 2013, the IRSG will have:

- Engaged with all 27 member states;
- Undertaken 24 outward visits to 18 Member States (France, Germany, Finland, Czech Republic, Luxembourg, Lithuania, Estonia, Greece, Slovakia, Poland, Belgium, Sweden, Denmark, Cyprus, Bulgaria, Ireland, Romania and Slovenia);
- Hosted events for the Prime Ministers of Ireland and the Czech Republic and the President of Bulgaria;
- Hosted events for the Finance Ministers of France, Poland, Ireland, Lithuania, and Luxembourg;
- Hosted inward visits for MEPs from France, Italy, Poland and Austria;
- Hosted inward visits for Parliamentarians from Germany, Latvia, Denmark, Netherlands and France;
- Hosted inward visits for representatives of national regulators or central banks from Germany, Netherlands, Spain, Poland and Ireland;
- Hosted City Programme for Lithuania, Croatia and Czech Republic.

A full list of all the engagement activities undertaken in 2012 and 2013 can be found in the EU Engagement Calendar (attached).

#### **Key messages**

In our engagement in 2012/2013, we have focused on the following key themes:

- The importance of the Single Market for financial services and that the City supports the UK's continued membership of the European Union;
- The importance of a well-functioning Banking Union for the Eurozone that works within the Single Market without causing fragmentation;
- The important role that wholesale financial markets play in funding the wider economy and how this role could be jeopardised by ill-considered regulation;
- The need for a workable third country regime to allow EU firms to operate abroad and vice-versa;
- The negative impact a FTT would have on European competitiveness and end-users.

## Priority Countries

As part of the strategy, it was recognised that some prioritisation would need to take place. Efforts have been concentrated on the top 5 Member States by GDP- France, Germany, Italy, Spain and the Netherlands. Country plans were compiled for each of these. The plans serve to take stock of the engagement that is currently taking place with these countries and to make recommendations on how to improve these relations. The recommendations from these plans are in the process of being actioned. Below is a summary of these:

### *France*

An established dialogue with Paris Europlace has been in operation since 2010. In the past year alone, the group has produced joint letters on CVA Exemption, Liikanen, EU-US TTIP and Long-term finance. The group, which today also includes CBI and their French counterpart MEDEF, has also published a set of 5 papers on the role of Wholesale Financial Markets in funding the economy. The papers were launched at a joint even in Brussels hosted by Sylvie Goulard MEP.

The main gap identified by the country plan was the lack of engagement with national policymakers. A first visit was made in January 2013 by the Chairman of the City of London and André Villeneuve to meet with the Governor of the Banque de France; the heads of the two regulators, AMF and ACP; the Tresor and ESMA. Another visit will take place on 20 September to meet with the regulators, the Tresor and the special advisor to the Finance Minister.

### *Germany*

The IRSG has increased its engagement with German policy-makers in the last two years. In June 2013 the City of London Policy Chairman visited Berlin and met with the Chancellor's Chief Advisor for European Affairs, Members of the Bundestag's Europe Committee and Finance Committee, and high-level officials from the Ministry of Finance, the Foreign Office and the Justice Ministry. In July 2013 the Chairman of the TheCityUK met with senior officials at the ECB, the Chairman of EIOPA, the Vice President of the Deutsche Bundesbank and a Member of the Management Committee of the Financial Market Stabilisation Agency. Another visit to Berlin is due to take place in November 2013.

The main gap identified by the country plan was the lack of a structured dialogue with German industry. This has proven to be difficult as there is no single institution in Germany playing the role that the City of London and the TCUK are playing as central facilitator of a broad range of actors for obvious institutional reasons. The IRSG has recently had meetings with Frankfurt Main Finance and its members to discuss regulatory issues of concern and is planning to explore a more frequent cooperation with Frankfurt Main Finance.

The country plan also identified a lack of engagement with BaFin, the German Financial Supervisory Authority. Since then, the IRSG met with the Chief Executive Director for Securities Supervision/ Asset Management of BaFin in Frankfurt in November 2012 and the President of BaFin in January 2013 in London.

## ***Italy***

A country plan for Italy has been adopted following the parliamentary elections in February. This envisages engagement with Italian policymakers including Ministry of Finance, Bank of Italy and CONSOB (Securities Regulator) as well as engagement with Italian industry associations including Confindustria (Employers' Federation). Italy take over the EU Presidency in the second half of 2014 so IRSG engagement over the next 12 months in advance of the EU Presidency will be important. An early meeting with Pasquale Terracciano, Italian Ambassador to London is scheduled for September.

## ***Spain***

The country plan identified that engagement with Spanish stakeholders, both industry and policymakers, had been limited since the Pre-Presidency visit in 2009. A planned trip by the Chairman of the City of London to Madrid in November 2012 had to be cancelled to strike action. The Chairman of the City of London is scheduled to visit Madrid in January 2014.

## ***Netherlands***

A country plan for the Netherlands has been adopted envisaging engagement with Dutch policymakers including Ministry of Finance, Dutch National Bank, Authority for Financial Markets (AFM) and Dutch industry associations. The Dutch Government has just carried out its own Subsidiarity Review and is seen as a key ally for the UK on the EU reform agenda. Jeroen Dijsselbloem, Dutch Finance Minister also chairs the Eurogroup. A policymaker roundtable with Ronald Gerritse, Chairman of the Board of the Netherlands AFM was held in February and a policymaker roundtable with Laetitia van den Assum, Dutch Ambassador to London is scheduled for 21 October 2013 which will provide a firm basis for further IRSG engagement.

## Plans for 2014

- Pre-Presidency visits to Italy (6-9 April) and Latvia (21-24 September);
- Ongoing dialogues with France and Germany and new dialogues with Poland and Ireland;
- Visits to Spain, Portugal, Sweden, Denmark, Finland, Czech Republic, the Netherlands, Austria and Hungary;
- City Programme in 2014 to focus on Latvia and Slovakia;
- Engagement programme with new MEPs and new Commissioners.