

19 October 2012

Commissioner Michel Barnier
Commissioner for Internal Market and Services
European Commission
BERL 10/034
B - 1049 Brussels
Belgium

Re: Promoting a global mutual recognition framework

Dear Commissioner Barnier,

We are writing to you on behalf of the members of the International Council of Securities Associations (ICSA), which is the global forum for associations that represent and/or regulate securities markets around the world.¹

ICSA members are fully supportive of the G20's goals of developing a globally consistent regulatory framework. However, ICSA members are increasingly concerned that regulations being put in place in different G20 jurisdictions are creating conditions that will result in more fragmented financial markets, reducing liquidity and increasing the cost of capital for large and small companies and increasing the cost of advisory services for all investors. Given the potentially adverse impact that these differing and at times conflicting regulations could have, this is a crucial issue for market participants active in the international environment.

In light of these concerns, ICSA recently wrote to Chairman Masamichi Kono and Secretary General David Wright of IOSCO expressing our strong wish that IOSCO develop a global framework for mutual recognition agreements between financial market regulators. Given the

¹ ICSA is composed of trade associations and self-regulatory organizations that collectively represent and/or regulate the vast majority of the world's financial services firms on both a national and international basis. ICSA's objectives are: (1) to encourage the sound growth of the international securities markets by promoting harmonization in the procedures and regulation of those markets; and (2) to promote mutual understanding and the exchange of information among ICSA members. More information about ICSA is available at: www.icsa.bz

Commission's interest in developing mutual recognition agreements with jurisdictions outside of the EU, we are sending a copy of that letter to you.

We would be happy to discuss this matter further with you at your convenience.

Best regards,

Sincerely,



Jong Soo Park, Chairman
International Council of
Securities Associations (ICSA)



Ian Russell, Chairman
ICSA Standing Committee on
Regulatory Affairs

cc: Jonathan Faull, Director General
DG Internal Market and Services

Emil Paulis, Director, DG Internal Market and Services
Directorate G - Financial Markets

Maria Teresa Fabregas, Head of Unit, DG Internal Market and Services
Directorate G, Unit G3: Securities Markets

Patrick Pearson, Head of Unit, DG Internal Market and Services
Directorate G, Unit G2: Financial Markets Infrastructure