1st September 2009

In preparation, for the 5th September 2009 meeting of G20 Finance Ministers, and the 24th September 2009 Pittsburgh Summit, this note sets out:

A. Our Members’ views on key overarching steps that should be taken in finalising the policy programme.
B. Our Members’ views on key considerations relating to the identification and oversight of systemically important firms.
C. Updated information on industry initiatives.
D. An updated list of examples of potentially divergent regulatory responses.

A. KEY OVER-ARCHING STEPS

In the aftermath of the financial turmoil, the international regulatory community has put intensive effort into analysing what happened and developing responses to restore confidence and promote greater stability and resilience for financial institutions and markets in the future.

We welcome this process and endorse the G20 conclusions on the way forward, in particular the commitment of the G20 to:

o promote and foster international coordination and consistency, preventing financial protectionism;

o achieve balance between maintaining financial stability and encouraging recovery and innovation; and

o deliver sound due process in development of the regulatory response through consultation and impact analysis procedures.

Additionally, we consider it will be important to be clear about the objectives that global financial stability efforts seek to achieve, and how financial
stability objectives relate to economic growth objectives, so that the impact of the measures can be objectively assessed.

In the same vein, we would like to draw attention to three overarching steps which we consider to be essential in finalising a new global framework for economic and financial stability. We ask the G20 authorities to commit to taking the steps set out below.

(i) Cumulative Impact Assessment

The Washington and London Summits mandated an unprecedented level and range of regulatory initiatives by international standard setters and FSB constituent members across many aspects of the financial markets. Before new requirements are implemented, we consider that it is essential for the authorities to undertake a Cumulative Impact Assessment of all the regulatory proposals in aggregate. We ask the G20 and FSB to commit publicly to such an aggregate assessment. Individually each of the regulatory initiatives may have merit, but a cumulative analysis of these projects is necessary:

- First, to ensure that the overall regulatory programme is internally consistent, without contradictory or duplicative elements. It is important to ensure that the interaction between individual proposals does not compromise, negate or duplicate their effects. (The recent turmoil has demonstrated that practices designed to enhance security at the micro scale, such as collateralisation, can have unintended procyclical consequences at the macro level.)

- Second, to quantify the overall change that is being proposed: how far it will affect firms’ ability to continue supporting economic activity and growth, the availability of credit and the overall risk appetite of regulated firms; and to check that the outcome is in line with agreed financial stability objectives.

(ii) Coordination and Timing of Global Implementation

While we understand the need for reform, the timing of implementation of regulatory reforms is a major concern and without careful handling could lead to an adverse outcome. Two elements need to be delivered:

- First, changes should not be made until recovery is assured. We strongly welcome the G20 statement on this point. Markets remain fragile and there will be a destabilising effect if firms globally have to raise new capital in a tight time horizon. Without a cumulative impact assessment it will not be possible to identify when implementation should occur.

- Second, implementation should be globally consistent and coordinated across jurisdictions. Like the G20 authorities, firms are concerned by the possibility of national protectionist measures. But lack of coordination uneven implementation may also lead to distortion of business between countries and regions. Patchy implementation of the regulatory changes would not be conducive to financial stability.
(iii) Accountability and Regulatory Transparency

Sound due process is essential for the development, implementation and enforcement of the package of regulatory initiatives. We believe that the global process would be enhanced if there is a worldwide political commitment to transparency of local implementation, and local accountability to the G20 authorities. Global agreements are implemented on a national or regional basis, and no global legal framework is available for enforcement or redress. However all firms are affected in a competitive global market place, and the stability of the global economy can only be achieved if all jurisdictions enact the package of planned changes consistently. We therefore believe that it is important that firms can have confidence that global agreements will be adhered to through a transparent process overseen by the FSB and, ultimately, the G20.

B. SYSTEMICALLY IMPORTANT FIRMS

The London Summit Declaration committed the IMF and FSB to produce guidelines to assess whether a financial institution, market, or instrument is systemically important, and stated that large and complex financial institutions require particularly careful oversight given their systemic importance. We agree that large and complex institutions need careful oversight, but emphasise the importance of the following points in considering how best to do so:

- **Global agreement and risk of dispersion** - Given the global nature of financial markets it is essential that any initiatives on systemically important firms are carefully considered and responsible, and also fully supported internationally, in terms of consistency of definition, treatment and implementation. If not there is a risk that systemic risk migrates to unregulated or less well-regulated sectors or jurisdictions, where it will be less visible.

- **Impact assessment** - The development of additional requirements for systemically important firms needs to take account of the cumulative effect on such firms of other regulatory reforms (see section A above)

- **Definition of systemic significance depends on clarity on financial stability objectives** - Systemic importance will depend on how financial stability objectives are defined. Agreement of financial stability objectives is therefore a necessary preliminary step (see section A above).

- **Clear objectives for a separate regime for systemically important firms** - The objectives of a separate regime for systemically important firms need to be clear. These objectives need to recognise that large and complex firms bring social and market benefits as well as risks, through their capacity to intermediate between borrowers and investors across a range of markets. Any measures need to strike a balance between these benefits and risks.

- **Systemic importance will vary in changing conditions** - In the current fragile climate it is difficult to determine which firms are not systemically
important (demonstrating how contagion can spread depending on economic conditions, and in a crisis make boundaries meaningless), but even in more normal market conditions it will be challenging to define systemic importance as markets and the participants in them develop and continue to evolve, and different considerations may take precedence at national, regional and global level.

- **Forward looking** - It is important not to design a system specifically to cater for past failures, but take account of possible future stresses as well.

- **Avoidance of ‘cliff-effects’** - It is important to avoid ‘cliff effects’ at the boundary that would distort competition and hamper firms’ ability to plan ahead.

- **Risk management incentives** - It is important to retain, and not undermine, the incentives to improve risk management provided by the Basel framework.

### C. INDUSTRY INITIATIVES

In our 9th March Briefing for the London Summit, we listed a number of industry initiatives under way to address market deficiencies that the financial turmoil highlighted, in particular in the area of credit derivatives and securitisation. We attach an updated list in Annex 1 below, indicating the status of the initiatives, and further initiatives undertaken since March.

The most recent industry initiatives have focused on the credit and broader OTC derivatives markets, in particular regarding central clearing as well as process and documentation uniformity. With respect to securitisation, most of the industry initiatives to improve transparency have now been identified and delivered or are nearing delivery. The focus of industry action is thus turning to implementation and ongoing monitoring, as well as engaging with policy-makers on how to revive “mainstream” securitisation so that it can help mitigate the impact of the crisis on individuals and SMEs.

Our members are committed to these initiatives and to making continued improvements towards a transparent and resilient environment for users and supervisors of these markets.

### D. DIVERGENCES FROM GLOBAL POLICY CONSENSUS

In our letter to the FSB of 29 May 2009, LIBA, SIFMA and other associations noted a number of national and regional measures that could introduce significant divergences from global policy consensus - thus raising costs to investors, increasing the complexity of compliance and supervision, cutting across global efforts to cooperate and coordinate regulation, and ultimately resulting in a drag on global economic recovery.
We continue to observe new examples of such divergences. We have updated our list of examples of divergences in Annex 2.

We continue to stress the importance we attach to ensuring that, in line with G20 commitments, FSB members’ regulatory efforts reflect internationally agreed standards and best practices, and foster coordination and cooperation among the authorities worldwide.
ANNEX 1 - INDUSTRY INITIATIVES IN RESPONSE TO FINANCIAL MARKET CRISIS

This Annex provides an updated summary of significant relevant past and ongoing work carried out by SIFMA, LIBA & ISDA members to address several of the market deficiencies that the crisis revealed, as well as links to access the relevant documents and websites for further information.

1. Industry initiatives to improve the derivatives market

(i) Credit Derivatives

Throughout 2009, ISDA has continued a programme of changes to credit derivative documentation, which will, inter alia, facilitate central clearing and ensure further legal certainty. In this regard, the ‘big bang’ (March/April 2009) and ‘small bang’ (July 2009) succeeded in ensuring mass industry adherence to these documentation changes.

Changes to documentation, in this context, include

- **Hardwire Auction Settlement Mechanism**, This mechanism has allowed successful cash settlement in fourteen credit events including the Fannie Mae, Freddie Mac and Lehman Brothers credit events. ‘Hardwiring’, as referred to in the FSF report on the financial crisis, is designed to ensure operational clarity on this legally well established process and was concluded in April 2009.
- **Further clarity on contractual procedures for credit event determination.**
- **Standard approaches regarding settlement of contracts in event of a restructuring credit event.**
- **A standard approach to couponing.**

Many of these changes were carried out following extensive consultation not only with the market, but also with regulators.

**Use of Central Counterparty for Credit Default Swaps (CDS):** Progress, in cooperation with international regulators, towards large-scale use of a central counterparty (CCP) for clearing of CDS.

- **CDS on indices** are being centrally cleared on a massive scale in US and Europe.
- **CDS written on single names** will follow progressively.
- **Large parts of the interest rate swaps** market are already centrally cleared.

Market participants are continuing to assist the efforts of central clearing service providers, through dialogue and feedback, on the technical challenges to be surmounted in establishing efficient, sound clearing houses.
(ii) OTC Derivatives more generally

Addressing Operational Goals: Continuing success, working with international regulators, in addressing operational goals faced by the industry, in particular with regard to timeliness of trade confirmation, electronic confirmation, the movement of collateral, and the use of trade compressions to reduce notional volumes outstanding (particularly for CDS). These goals have been further enhanced in a letter by major dealers dated 2nd June 2009, to international regulators (see: http://www.ny.frb.org/newsevents/news/markets/2009/ma090602.html). Apart from tougher targets in relation to the matters above, these commitments also focused on

- Recording all OTC derivatives transactions in trade repositories (thereby increasing transparency, inter alia).
- Expanding CDS central clearing to customers by mid-December 2009.
- Expanding central clearing to a wider range of OTC derivative products.
- Further strengthening counterparty risk management: Major dealers representing a large part of the derivatives market delivered on their commitment to implement daily reconciliation of portfolios by 30th June 2009. In addition, by 30th September 2009, market participants will publish a standard mechanism for timely and fair resolution of valuation disputes.

Establishing broad-based and transparent industry governance: The industry commits to enhance its newly-established governance structure to ensure that a broad range of market participants will be included in open, transparent decision-making processes that fairly balance the interests of dealers and their customers.

2. Industry initiatives to improve the securitisation market

(i) Global Joint Initiative: “Restoring Confidence In the Securitisation Markets”

In December 2008, the Australian Securitisation Forum (AusSF), the American Securitisation Forum (ASF), the European Securitisation Forum (ESF) and SIFMA published (http://www.sifma.org/news/news.aspx?id=9462) a report containing a number of practical, action-oriented recommendations to restore confidence in the securitisation markets globally. Based on over 600 interviews and detailed surveys of securitisation market participants, the report identifies four priorities for immediate action by the industry. These are (1) improve disclosure of information on underlying assets for residential mortgage-backed securities (RMBS); (2) enhance transparency of underwriting and origination practices; (3) restore credibility of CRAs; and (4) improve confidence in valuations, methodologies and assumptions. The full recommendations, which have been or are being implemented through the EU and US initiatives described in (ii) and (iii) below, are:

- Increase and enhance initial and on-going underlying pool information on US non-agency and European RMBS into a more easily accessible and more standardised format. **Purpose:** to improve data quantity, granularity, accessibility, comparability; improved valuations. **Status:** complete - delivered the ESF RMBS Principles for Transparency and
Disclosure in Europe and exposure draft for ASF Project RESTART in the US.

- **Establish core industry-wide market standards of due diligence disclosure and quality assurance practices for RMBS.** *Purpose:* to establish baseline industry standards for pre-securitization due diligence reviews and quality assurance, improve reliability of information; strengthen originator incentives to originate good quality collateral. *Status:* in progress - development of an exposure draft in the US with ASF Project RESTART, under consideration for next version of the ESF RMBS Principles for Transparency and Disclosure in Europe.

- **Strengthen and standardise representations and warranties as well as repurchase procedures for RMBS.** *Purpose:* to provide greater alignment of originator and investor interests. *Status:* as above.

- **Expand and improve independent, 3rd-party sources of valuations; improve infrastructure and contribution processes for specified types of securitisation and structured finance products.** *Purpose:* to provide more robust, more transparent valuation processes by: improving the quality of individual securitization transaction valuations and broadening the scope of securities covered by valuation providers; provide for more consistent availability of valuations; make available more information as to the source and characteristics of valuations; and improve investor confidence in valuation process. *Status:* in progress - “Project Value” set up and draft recommendations, applicable globally, under consideration.


- **Establish Global Securitisation Markets Group to report publicly on the state of the market, changes in market practices, and potential stress scenarios.** *Purpose:* to enhance public-private sector partnership at global level so as to more proactively guard against future crises. *Status:* to be revisited once institutional landscape for financial stability supervision clearer.

- **Establish educational program aimed at directors and executives with oversight over securitised and structured credit groups, as well as at investors with significant exposure to these products.** *Purpose:* to enhance understanding of securitisation products and markets so as to strengthen market participants’ risk management. *Status:* ongoing.

Well-functioning securitization markets are critical to the global capital markets and, thus, to the recovery of world economies. Therefore, in addition to the individual initiatives undertaken, SIFMA, ASF and ESF are currently conducting a survey to
gather an up-to-date fact base regarding the current and expected future state of these markets globally.

(ii) Ten industry initiatives to increase transparency in the EU securitisation market

In response to the October 2007 ECOFIN Roadmap, a number of associations (CMSA, EACB, EAPB, EBF, ESBG, ESF, ICMA, LIBA, SIFMA) committed in July 2008 to deliver to the European Commission ten initiatives to improve transparency in the EU securitisation market (– see http://www.europeansecuritisation.com/dynamic.aspx?id=1518 on ESF’s Website for further details and updates). All except Initiative 9 below have been completed and continually reviewed and updated as necessary. These initiatives are:

1) **Increase Transparency in Reporting of Securitisation Exposures under CRD Pillar 3.** **Purpose:** To promote sound implementation of securitisation related CRD disclosure requirements. **Status:** complete.

2) **Organise Comprehensive, Frequent and Relevant Statistical Data: New Quarterly Securitisation Data Report.** **Purpose:** To provide transparency to policymakers for monitoring securitisation markets. **Status:** Complete, ongoing - new Quarterly Securitisation Data Report includes data on issuance, outstanding, ratings changes, spreads, prices and investor types and locations and a Monthly Data Supplement provides information on spread and price trends for benchmark securities.

3) **Develop and Monitor Implementation of Asset Backed Commercial Paper Issuer Disclosure Code of Conduct/Principles.** **Purpose:** To encourage consistent, relevant and regular reporting to investors in the ABCP market. **Status:** complete - ICMA’s ABCP issuer disclosure code of conduct issued and under regular review.

4) **Develop and Monitor Implementation of Term Securitisation Issuer Transparency & Disclosure Principles.** **Purpose:** To encourage consistent, transparent information flow in RMBS, CMBS, CDO, consumer ABS, insurance securitisation and other asset classes. **Status:** RMBS Issuer Transparency & Disclosure Principles complete. Other asset classes to follow.

5) **Open Access to Transaction Information.** **Purpose:** To facilitate access upfront and ongoing on EEA-listed public term transactions, via recommended removal of password protection on issuer websites, or making information available from unrestricted sources. **Status:** complete (covered via Initiative 4 above).

6) **Develop Industry Data Portals.** **Purpose:** To allow central online access to prospectuses and investor reports at low/no cost. **Status:** ongoing - In June 2008, a data provider launched such a portal, providing open access to over 1,000 EEA-listed securitisation prospectuses and investor reports; additional providers are developing similar initiatives.
7) **Centralise access to RMBS and CDO Issuer/Manager Directories on ESF Website.** Purpose: To centralise online access to European originators, issuers, and managers of securitised products. Status: Complete, ongoing - ESF website provides two regularly updated directories of known EU RMBS issuer and CDO manager websites.

8) **Improve Standardisation and Digitisation of Reporting Templates.** Purpose: To develop standardised issuance and surveillance report formats so that comparable, more granular information is provided to each CRA and investors. Status: Complete for RMBS and CMBS (as part of initiative 4). CDOs to follow.

9) **Standardise Definitions.** Purpose: To develop standard core definitions for EU securitisation and map regional variations. Status: in progress.

10) **Develop Investor Credit Assessment and Valuation Principles.** Purpose: To ensure investors have sound processes to independently assess the credit of a transaction, and do not solely rely on ratings. Status: Complete for asset managers ("Asset Management Industry guidelines to Address Over-Reliance Upon Ratings" issued and endorsed by the EU fund management industry); outstanding for bank investors.

(iii) Other industry initiatives in the securitisation markets

In the US, ASF launched Project RESTART in the middle of 2008 to develop detailed market standards for securitised products, including a proposed standardisation and expansion of existing issuer disclosure for RMBS, to enable investors more easily to compare loans and transactions across all issuers and analyse and evaluate RMBS transactions on the basis of the features and performance of the underlying mortgage loans. For further details, see: http://www.americansecuritization.com/story.aspx?id=2655.

In Japan, JSDA finalised in February 2009 self-regulatory rules to ensure the traceability of underlying assets of securitised products and provide standardized information reporting.

Whilst none of the above initiatives can in and of themselves kick-start the securitisation market, which remains largely shut in Europe and is considerably lower in the US (particularly for non-TALF issuance), we strongly believe that they create the foundations for a more resilient, more transparent, and safer framework which will help restore confidence in this market. Their benefits should become evident once the securitisation market revives.

Given the importance of securitisation to the real economy and economic recovery, the industry is in discussions with policymakers, governments and central banks in the US and in Europe in order to implement existing programs (such as the Term Asset-Backed Securities Loan Facility (TALF) in the US), and/or to consider potential support measures which, when combined with industry initiatives already under way or completed, could help restart this market, e.g. via the possible introduction of
liquidity and/or credit guarantees, funding, or issuance, to mitigate the impact of the current crisis on individuals and small and medium enterprises.

3. **Industry initiatives to improve retail investor education and information about credit markets**

   - ICMA is monitoring its Standard of Good Practice on Bond Market Transparency for Retail Investors established in September 2007. ICMA’s website bondmarketprices.com, providing price transparency for retail investors, was launched in December 2007.

   - SIFMA is monitoring and promoting public interest in its new financial website launched in December 2008 (http://www.investinginbondseurope.org/). This ground-breaking website offers retail investors free access to comprehensive, non-commercial and unbiased educational resources and price information on fixed income markets in English, German, French, Italian and Spanish. Monitoring of use of the website since launch indicates that it receives on average just under 5,000 visitors a month, that the trend is upwards, and that 50% of visitors use a language other than English.
ANNEX 2: UPDATED SUMMARY OF ACTUAL OR POTENTIAL DIVERGENCES FROM GLOBAL POLICY CONSENSUS

Credit Rating Agencies
The G20 committed to “extend regulatory oversight and registration to Credit Rating Agencies to ensure they meet the international code of good practice.” As a result, policymakers have undertaken a review of CRAs in order to ensure more efficient and fully functioning capital markets, and restore investor confidence and trust. The EU adopted CRA legislation in the spring which will make a significant contribution to the objective of restoring confidence in ratings.

However, the EU’s legislative process proceeded in advance of the global coordination envisioned by the G20. As a result, the EU legislation did not benefit from a collaborative approach that would foster reliance on coordination and mutual recognition of regimes, and instead the legislation requires the use of an “endorsement” or “certification” approach to cater for non-EU ratings. The result is that EU-registered CRAs must “endorse” ratings by their non-EU offices, and non-EU registered CRAs (e.g. CRAs not domiciled in the EU) must be “certified” by the European Commission as subject to “equivalent” regulation, for their rating products to be used for regulatory purposes by European investment firms. This separate development of regulatory requirements, in some respects different from IOSCO standards, risks leading to fragmented and therefore less effective regulation of a global market, and potentially undermines efforts to build an international framework for mutual recognition and reliance between securities regulators.

In Japan, recently adopted legislation on CRA regulation is in line with IOSCO’s principles for credit rating agencies. Although the legislation provides regulators with the authority to require foreign CRAs to establish a commercial presence in Japan, we note that this requirement is waived under certain conditions including the CRA being overseen by regulatory authorities with which the Japanese FSA can exchange information.

We urge the FSB, as global approaches to CRA regulation are further developed, to work with national and regional bodies, as well as IOSCO, to promote consistent requirements.

Credit Default Swaps (CDS)
Credit default swaps (CDS) help companies manage complex risk, and as such, serve an important role in the market. We recognize the need for improvements to the operational infrastructure for OTC derivatives including continuing to improve derivative market processing as well as augmenting risk mitigation and transparency. However, rather than regional solutions, this must be done in a coordinated manner that adheres to the principles the G20 have set forth.

In the effort to regulate CDS, there are indications that a worrying fragmentation may be underway. The EU has required the industry to make a commitment that all “eligible” credit default swap transactions with EU-based reference entities be cleared through EU-based central clearing parties. While we believe that EU authorities have had this preference based on concerns about risks that are specific to the EU economy, we believe that it sets a troubling precedent. Lack of
cooperation and coordination may create the type of regulatory arbitrage opportunities that the FSB has been mandated to monitor and prevent. Specific national or regional regulatory undertakings may result in constraints on access to capital and limit efficient hedging and distribution of risk. We suggest that the FSB monitor this issue carefully and, again, work with national and regional authorities to develop a consistent and country-neutral approach.

We noted in our May 29 letter that we would be monitoring the proposed changes in the US market. While the US has not yet put forth a legislative proposal, we note with concern the House Financial Services Committee's description of principles for OTC derivatives (July 30, 2009). While the principles helpfully call on US regulators to coordinate with foreign regulators on harmonizing OTC derivative market regulation including recognized international standards with respect to clearinghouses, they give the US Treasury Department the authority to restrict access to the US banking system for institutions of any jurisdiction Treasury finds permits capital-related standards that are lower than the US or that promote reckless market activity. In addition, the Obama Administration's proposed “Over-the-Counter Derivatives Markets Act of 2009” would apply to offshore OTC derivatives markets, derivatives dealers and major derivatives participants, as there are no explicit territorial limitations for most of the provisions.

H-1B
Some countries have imposed distorting conditions on the receipt of financial assistance. In a particularly troublesome example, U.S. financial institutions receiving TARP money are constrained in their ability to hire employees through the H-1B visa program. These measures discourage companies from growing and innovating in an open global marketplace – which would ultimately create more jobs – and instead, encourages companies to turn inwards. This sets a bad precedent for other countries, and makes multinational operations that are necessary to support the G20 commitment to a globally coordinated approach increasingly difficult.

Leverage Ratios
Certain countries have recently enacted capital requirements that will have the effect of discouraging certain banks from lending abroad. These new capital requirements include a leverage ratio that particular banks must not fall below, and that the government wants firms to exceed. Calculation of the ratio requires a number of “adjustments” to the bank’s balance sheet, including the deduction of the entire domestic loan book. This effectively places limits on international lending (which is counted in the leverage ratio calculation) without imposing similar restrictions on domestic lending (which is not counted in the leverage ratio calculation).

Alternative Investment Fund Management
G20 Leaders agreed to extend regulation and oversight to systemically important institutions, including hedge funds and other alternative investment funds. In particular, the G20 mandated that the FSB develop mechanisms for cooperation and information sharing between relevant authorities to ensure that effective oversight is maintained where a fund is located in a different jurisdiction from the manager. The EU’s proposed Alternative Investment Fund Managers Directive, however, rather than relying on the G20’s approach for cooperation, proposes territorial barriers that would have a substantial extraterritorial impact. The provisions in the proposed
Directive would require that securities are held by a credit institution with its registered office in the EU. Third country fund managers and other alternative investment funds would be allowed to do so only if the EC first determined that a third country had regulation/supervision “equivalent” to the Directive. Even then, “third country” alternative investment funds could only be marketed to EU investors if the third country had signed a tax agreement.

Management of Liquidity Risk
The UK FSA has consulted on a regime based on the principle of “self sufficiency” in liquidity management which, if implemented in the manner it was consulted upon, would be likely to restrict or prevent the ability of banks and investment firms with non-UK parents to rely on their parent and wider group in their liquidity risk management. Constructive discussions with the UK FSA continue in order to seek a proportionate and globally compatible approach. In addition, we note that Germany’s Act for Strengthening of the Financial Markets and Insurance Supervision introduces “ring-fencing” by giving the BAFIN the power in times of crisis to impose a ban on payments by an institution or insurance company to its intra-group creditors. A nationally segmented approach to liquidity risk management would make it more difficult for cross-border groups to manage risk effectively or efficiently. Here, too, we encourage the FSB to foster a globally coordinated approach.

We recognize the domestic pressures that regulators and politicians have been under to react quickly, at the same time as the consensus for a globally coordinated approach has been emerging. Inevitably, those authorities that have been at the forefront of efforts to address many of the regulatory shortfalls that contributed to the financial crisis feature most prominently in the examples discussed below. We do not suggest that the authorities concerned are necessarily engaging in financial protectionism more often than other regulators; rather it simply reflects the fact that they are the first movers. Regardless, we encourage the FSB to work concertedly towards global consistency and continue to monitor developments in all jurisdictions.