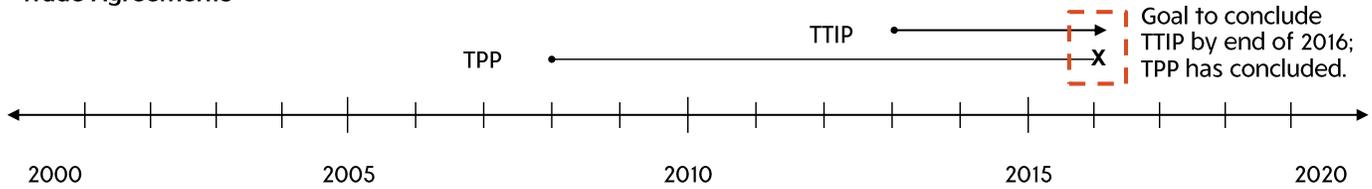
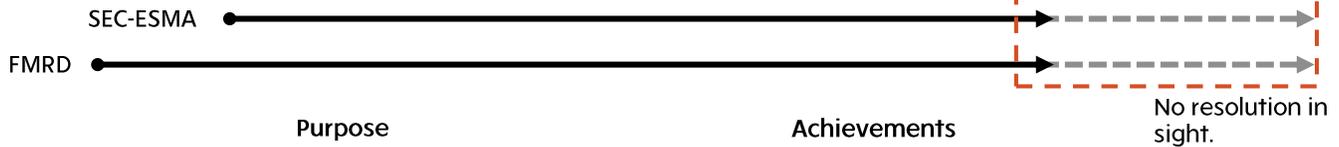


Trade Deals, Not Regulatory Dialogues, Prompt More Timely Action On Cross-Border Financial Services Issues

Trade Agreements



Regulatory Dialogues



	Purpose	Achievements	No resolution in sight.
Agreement	Trans Pacific Partnership (TPP)	Trade agreement with 12 Pacific Rim countries.	New features addressing: <ul style="list-style-type: none"> • Cross-border electronic payment services • Insurance agreements • Prudential measures exceptions
	Transatlantic Trade and Investment Partnership (TTIP)	Trade agreement between U.S. and EU.	No financial services chapter.
Dialogue	Financial Markets Regulatory Dialogue (FMRD)	"Useful, flexible and informal bilateral platforms to mutually exchange information, identify potential regulatory conflicts and work out solutions."	2/12/16: "...participants held productive discussions and exchanged views..." 1/15/15: "...participants held productive discussions on an extensive agenda..."
	SEC-ESMA Dialogue	"Framework for cooperation and collaboration..."	No recent statements.

Source: [EDA](#), [EC](#), [SEC](#); [US Trade Representative](#); [US Treasury](#)

The U.S. and EU have reiterated their desire to conclude the Transatlantic Trade and Investment Partnership (TTIP) by the end of 2016. At present, TTIP does not include a financial services chapter.

Public and private sector supporters have pushed for such a chapter; support spans government, from the U.S. Congress and the [EU Trade Commission](#), to American and European [insurers](#) and [financial services organizations](#).

Supporters argue the existing U.S.-EU dialogues for financial services are ineffective in reaching final agreements. They are "conducted on an ad hoc basis without tangible results," 15 U.S. Representatives wrote in an April letter to President Barack Obama.

Since TTIP negotiations started in 2013, the Obama administration

has [declined](#) to open discussion on a financial services chapter, and [stated](#) existing dialogues are the appropriate fora for discussing these issues.

To evaluate whether dialogues suffice for these discussions, we compared timeframes and relative output of trade agreements and dialogues. We contrasted the Trans-Pacific Partnership (TPP) and TTIP with the ongoing Financial Markets Regulatory Dialogue (FMRD) and the U.S. Securities and Exchange Commission-European Securities and Markets Authority (SEC-ESMA) Dialogue.

TPP was negotiated in eight years, and odds are TTIP will conclude within a similar window. TTIP negotiations started in 2013, and both sides are determined to conclude talks by the end of 2016 (Though it is worth considering the impact of Brexit on this timeline).

On the other hand, the FMRD is a "forum for discussion" for EU and U.S. regulators, and has met approximately twice a year since 2002. The SEC-ESMA Dialogue, begun in 2004, has taken second chair to the FMRD, with no apparent recent statements or meetings. However, both agencies are a part of the FMRD.

So, in its 14th year, the FMRD appears no closer to conclusively addressing the key cross-border priorities of its constituents.

Ultimately, dialogues bring regulators together for process- and bureaucracy-oriented discussions over the long term. Trade agreements are results-driven efforts that can resolve cross-border regulatory concerns in a shorter timeframe.

-*Brai Odion-Esene, Taylor Thomas*