

**FINAL CONCLUSIONS TO THE CONFERENCE**  
**- MR. CHR. PLEISTER -**  
**- PRESIDENT OF THE EUROPEAN ASSOCIATION OF CO-OPERATIVE**  
**BANKS (EACB) -**

**EBIC CONFERENCE:**  
**BETTER REGULATION CHALLENGES: FROM “EX POST”**  
**ANALYSIS TO “EX ANTE” ASSESSMENT**

**BRUSSELS, 19 FEBRUARY 2007**

Ladies and Gentlemen,

We are now at the end of a highly interesting conference. In the name of the Member organization of the European Banking Industry Committee (EBIC), I would like to thank, our distinguished speakers, Ms. Berès, Mr. Holmquist, Mr. Bont, Mr. Geiger, Mr. Deppler, Mr. Bauer, Mr. Naundorf and Mr. Koopman. Their contributions to this conference have certainly delivered numerous facets and aspects on how “better regulation” principles can be implemented, enforced and further developed. Please be ensured that many of your ideas have inspired your audience and will certainly inspire the future work of the European Banking Industry Committee, EBIC.

Our special thanks go to Ms. Berès for opening the gates to the European Parliament. For a conference on better regulation this is certainly the place to be. Following her

widely shared appreciation of “ex ante assessment” it might be burdensome for you to listen to a closing speech which is always kind of an “ex post analysis”.

Ladies and Gentlemen,

We all know the regulatory environment for banks is extremely dense. Following the need and the ambition for proper regulation, enormous pieces of legislation were adopted or are to be adopted. I am referring to the CRD, the MiFiD, not to mention the payment services directive, the anti-money laundering rules and others. While all these regulations certainly have their merits, there can be no denying that the legal framework for banks seems to be ever-growing.

One reason behind all this is that over decades the banking business, the products, our customers’ needs but also our environment have become much more differentiated,

complex and global. Regulation had to follow these trends. By consequence, there is hardly anybody who still disposes of a clear picture of what today is “banking legislation”. And it may even be considered as pretentious for someone to claim an in-depth-knowledge of certain pieces of legislation, like of the CRD and its complementing guidelines.

And even more pretentious would it be to claim a deep knowledge of regulation and of the underlying banking business. In fact, today’s banking business is highly diversified, very innovative and done by players of different size and complexity.

And there we are at the root of the difficulty of regulation today: appropriate regulation not only requires a good knowledge of the regulation, but first and foremost a good knowledge of the markets, the players, the business and how banks do it. That is certainly a difficult job.

But we were taught today that it is worth it.

- The integration of financial markets has a strong effect on growth and competitiveness. To realize the benefits that financial integration promises, a mix of harmonization, mutual recognition and smarter regulation will be needed.
- Banks are undertakings generating revenues that contribute to the wealth of the economy. “Good regulation” stands for efficient economies and therefore definitively is a factor in the global competition of economies.
- We got examples that the economic pay-off of reduction of bureaucracy is real. The figure of +1,5% GDP that could be achieved by better regulation is highly impressive.

- By consequence, measures that are not delivering expected economic benefits should be repealed. When economic facts contradict political decisions, there is a need for public discussions.
- The difficulty is of course that deregulation and better regulation are highly political processes – they require full political commitment from the political institutions. In this respect, we warmly welcome the support of Mr. Holmquist, Director General of DG Markt. Moreover, we are delighted by the declared commitments to better regulation from the representatives of the European Parliament, the European Commission and from representatives of Member States that were stressed today.
- However, on their own, political commitments will not be enough. Better regulation requires a profound cultural change and it requires action. Such action will be necessary at two levels. First, internally, with the

creation of task-forces, better regulation units in the EU institutions, in national governments and ministries...but also in the policy-making process in general.

- And: Better regulation requires the involvement of all stakeholders. There is a strong need for a culture of dialogue between regulators and regulated entities. Even in difficult areas like anti-money laundering, there are ways to involve stakeholders more closely in the policy-making process, to re-evaluate and still better identify regulatory needs.
- When doing so the concerns of all banks have to be taken on board, no matter of their size, no matter of their legal form. Please let me underline in this context that EBIC was established as a platform by the associations of all types of credit institutions to facilitate industry involvement in a number of areas.
- By such stakeholder involvement, “better regulation” would become a powerful transparency channel. It would

help people to not only to understand of how decisions are taken and how legislation is passed, but even more would increase the understanding and acceptance of decisions taken by legislators in our industry, as well as among our customers. And I dare to say that there is certainly some demand on that side from our banks and our customers.

- But certainly: Better Regulation is neither a quick nor a ready-made solution. It is not a static concept, but on the contrary an evolutive and dynamic one that needs permanent development. We therefore are strongly positive about different proposed tools to reduce bureaucracy, like
  - The repeal of legislation following ex-post analysis,
  - Screening and withdrawal of pending proposals;
  - Simplification of EU legislation;

- Systematic impact assessments;
- High level groups and impact assessment boards.

It is certainly important to test all promising approaches. But it is certainly more important to go beyond that test phase.

Ladies and Gentlemen,

I would like to thank all you today, for your attendance to this first EBIC Seminar of its kind. We hope that this forum has been interesting for you, and that you will leave us with fresh ideas.

Today's conference has raised our awareness, that better regulation in financial services is not merely a dream of some lazy bankers, who want an easy life.

Better regulation is a box of processes and modern policy tools to achieve regulation that clearly meets its targets, to repeal counterproductive regulation and to limit any regulatory burden to the minimum

necessary. Better regulation means efficiency. And we definitely need to develop this toolbox.

Our banking industry is highly competitive on the global level. And as a cornerstone of the European economy, its competitiveness is also a key condition for the competitiveness of the whole European economy. Wherever European undertakings compete in the world, they have to improve permanently to stay play on the market. So if we want to keep our place in the world economy, not only our banks and our products, but also our regulation must strive to be better. This is a common effort that we all have to take.

It's worth it.

Finally, I would like to thank the EBIC Chair, Mr. Merindol, who initiated the first EBIC Conference.

Special thanks go to Ms Nina Schindler and Mr. Volker Heegemann of the EBIC Secretariat, and Mr. Maurice Benusilho for perfectly organizing this conference. Their excellent involvement very much contributed to the success of the event.