



Member of the European Parliament

Commissioner Jonathan Hill
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

29 June 2015
Brussels

Dear Commissioner Hill,

Today the EU and China will celebrate 40 years of international cooperation at a summit in Brussels. This is a good opportunity to address some key issues related to financial services both in Europe and in Asia.

The Asian markets have much stronger growth than both Europe and the US currently. It is also estimated that there is a huge amount of further potential for growth, particularly in China and India.

From recent consultations, it has become clear that if Europe is to build a competitive Capital Markets Union, we need to do so taking into consideration the international context.

For this reason we would like to encourage you to undertake a visit to key financial services hubs in Asia, for example Hong Kong, Shanghai, Mumbai and Singapore.

It would send a strong message to our Asian partners that we wish to increase cooperation in order for both sides to mutually benefit - Asia from our Capital Markets Union, and Europe from the enormous growth potential. Indeed, strengthened cooperation in areas such as equivalence of UCITS funds would help maximise growth in both jurisdictions.

A key challenge for further integration of EU and Asian markets is that 3rd country equivalence decisions are currently regulated by different legislative provisions. Therefore, we would encourage the Commission to assess the need for a common set of criteria in order to ensure consistency of legislation and promote cooperation with Asian counterparts. This is directly related to Capital Markets Union and specifically to measures which facilitate access for EU businesses to investment and capital from third countries.

There are currently a number of important developments in Asia as China takes further steps towards embracing global markets. Hong Kong and China will have mutual recognition of

funds from July of this year, and the internationalisation of the Renminbi is slowly continuing.

Now is an opportune time to put Europe centre stage in Asia. While there may have been some efforts already from the Commission to discuss cooperation in Financial Services with China, a high level visit from you to your counterparts in China would be a strong signal that Europe and Asia can work together for strong growth in both East and West.

Yours sincerely,

ALDE Members of the Economic and Monetary Affairs Committee

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