

# Mutual Recognition of Securities Exchanges: Prospects for Transatlantic Cooperation

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A Discussion with

Randal K. Quarles

Managing Director,

The Carlyle Group

Nicolas Véron

Resident Scholar,

Bruegel

Peter Chepucavage

Founder,

International Association of

## Small Broker Dealers and Advisors

Moderated by:

Richard Salt, Transatlantic Fellow,

The German Marshall Fund of the United States

Research suggests that a single transatlantic market in financial services could significantly lower transaction costs, increase trading volume and reduce the cost of capital on both side of the Atlantic. Technology makes it easier than ever before for investors to buy and trade securities around the world, diversifying portfolios to maximize their returns. But demand from many investors for seamless markets conflicts with national regulation of securities exchanges. How should policy-makers respond?

The Securities and Exchange Commission (SEC) is exploring a new approach that would allow foreign exchanges and broker-dealers to offer investment products to U.S. investors without having to register with the SEC – if it can be shown that the foreign regulation they adhere to is comparable to that which operates in the United States itself. This idea, a form of ‘mutual recognition’ of securities regulation, has attracted considerable attention. But what are the prospects for its application in transatlantic markets? Can we learn from European experience in cross-border regulation? Which of the U.S.’s international partners is likely to be recognized as having equivalent or sufficient regulatory protection? And will we be able to talk of a United States/European Union deal, or is a deal with key European countries more likely?

At the GMF event, Randal Quarles, Managing Director of the Carlyle Group and former Under Secretary of the Treasury, Domestic Finance, will discuss the need for new approaches in this area, and the potential of the proposals on the table. Nicolas Véron, resident scholar at the Brussels-based economics think-tank Bruegel, will offer a European perspective, with Peter Chepucavage from the International Association of Small Broker Dealers and Advisors discussing concerns/issues that such an approach raises.

Where?

The German Marshall Fund of the United States

1744 R Street NW

Washington, DC 20009

When?

12:00p.m. - 1:30p.m. on Tuesday, March 4th, 2008

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