

Press release - July 19, 2016

***French and Italian financial market places call for
a prompt and clear negotiation on the exit of UK from the EU
and a consolidation of financial Europe***

Paris, 19 July 2016 - Professional associations and large companies of the French and Italian financial sector (bank, insurance and asset management), which met in Paris today for the French-Italian Dialogue on Financial services, have expressed their deep sympathies to the victims of the deadly attack in Nice and their relatives. The French and Italian marketplaces have again underlined their disappointment following the British choice for Brexit and the need to further strengthen of European integration.

As regards the upcoming negotiation between the EU and the UK, French and Italian professionals of the financial sector converge on the following orientations:

- the need for urgent decisions, with prompt recourse to art. 50 of the EU Treaty, since long uncertainty would have extremely unfavourable impact for economic activity and financial markets,
- the objective of a clear, unequivocal agreement, which respects the integrity of internal market,
- the enforcement of the third country regime to the UK, similar to other economic partners of EU, with consequently the loss of the European passport for companies established in the UK,
- maintain a level playing field for prudential regulation and supervision by the European authorities, with reciprocity for financial activities.

The Head of the French delegation, Bernard SPITZ, Chairman of the French Insurance Association (FFA), and the Head of the Italian Federation, Luigi ABETE, Chairman of the Italian Banking Insurance & Finance Federation (FeBAF), jointly underlined the importance of a strengthened French-Italian dialogue on financial services in the upcoming months, and the need for a consolidation of financial Europe and particularly for a reinforced integration within the Euro Zone.

The French and Italian parties have thus elected the following priorities:

- strengthen the autonomy of the European financial industry: one of the conditions is the return on the EU territory of the clearing of Euro-denominated transactions as well as the relocation of the European Banking Agency's headquarters,
- enhance the attractiveness of the financial marketplaces of continental Europe, in order to ensure financial independence of the European economy, through the control of market and clearing infrastructures, welcome of non European financial companies in the EU territory, and facilitation of employment in the financial sector,
- accelerate Capital Markets Union, by strengthening tools enabling better use of savings for financing long term investment, developing market financing mechanisms to support the growth of companies, especially SMEs, and boosting a securitization with truly enforceable rules,
- finalize the Banking Union around the European Central Bank,
- curb overregulation and strictly enforce the "better regulation" principle, while start thinking about framing shadow banking activities,
- finalize, for banks and insurance companies, a prudential regulation in line with the B20 recommendations, thus allowing financial actors to fully play their supporting role to growth and employment - namely of young people - in Europe. In this respect, it is crucial that the ongoing work of the Basel Committee do not lead to higher capital requirements for European banks, and that the revision of Solvency 2 for improved calibration facilitate the financing of the economy.

Joint proposals on these topics will soon be conveyed to the European Commission.