

March 23, 2012

Ambassador María de Lourdes Aranda Bezaury
Under-Secretary for Foreign Affairs
Secretaría de Relaciones Exteriores
Plaza Juárez No. 20, Piso 20
Col. Centro, Delegación Cuauhtémoc
06010 México, D.F.

Re: Widening the dialogue between the G20 and the financial services industry

Dear Ambassador Aranda:

We are writing to you on behalf of the members of the International Council of Securities Associations (ICSA).¹ We are writing specifically in response to your government's proposal to widen the dialogue between the G20 and other organizations, including representatives of the business community. ICSA members strongly support this proposal and suggest that it would be particularly useful for the G20 to enhance its dialogue with representatives of the financial services industry, including ICSA. We are writing to you about this issue because of your work as Sherpa for Mexico's G20 Presidency. We are also writing to Mr. Roberto Marino at Hacienda in his capacity as Special Representative of Mexico's G20 Presidency.

ICSA is the global forum for trade associations and self-regulatory organizations that represent and/or regulate firms active in the securities market. ICSA members are located throughout the world, including in most developed economies as well as in a number of advanced emerging market economies. ICSA members represent and/or regulate the securities firms located within their jurisdictions, including firms that are active internationally as well as firms that are active only within their individual domestic markets.

¹ ICSA is composed of trade associations and self-regulatory organizations that collectively represent and/or regulate the vast majority of the world's financial services firms on both a national and international basis. ICSA's objectives are: (1) to encourage the sound growth of the international securities markets by promoting harmonization in the procedures and regulation of those markets; and (2) to promote mutual understanding and the exchange of information among ICSA members. More information about ICSA is available at: www.icsa.bz

ICSA members are able to express, therefore, the voices of many different types of firms, ranging from those with a purely domestic focus to those with a completely global focus. In addition, since ICSA includes both trade associations and self-regulatory organizations, the views expressed by ICSA reflect input both from industry participants and private sector regulatory bodies. Given the diversity of its membership, we believe that ICSA can play an important role in helping the G20 to understand the views of different segments of the financial services industry.

Because of the diversity and geographical reach of its membership, over the past several years ICSA has developed close consultative relationships with a number of international standard setters, such as the International Organization of Securities Commissions (IOSCO) and the Financial Action Task Force on Money Laundering (FATF). These relationships, which were initiated prior to the financial crisis, have proven over the years to be extremely useful for all participants.

ICSA members strongly support Mexico's proposal to widen the dialogue between the G20 and representatives of the business community. Moreover, since a number of Mexico's priorities for its Presidency of the G20 involve the financial sector, it may be particularly useful for the G20 to expand its dialogue with representatives of the financial services industry.

An enhanced dialogue between the G20 and the financial services industry is particularly important at the current time because of the critical regulatory changes that are taking place in major jurisdictions throughout the world. ICSA members are generally supportive of the work that has been done by regulators and legislators since the financial crisis to improve the regulatory framework for the financial services industry. However, we are concerned about the limited progress that has been made in developing regulatory standards that are comprehensively and consistently applied across national boundaries. The lack of convergence between national regulatory policies combined with proposals regulations in that would have extensive extraterritorial reach may lead to a much more fragmented, and therefore unstable, global capital market, which in turn would negatively impact the ability of market participants to raise capital, manage risk and contribute to economic growth.

Given these critical issues, we suggest that an expanded dialogue between the G20 and representatives of the financial services industry would be critically important in contributing to the development of more stable global and national capital markets. In that respect, we believe that ICSA can make an important contribution as a participant in a dialogue with the G20 because of the diversity of its membership and the wealth of knowledge that ICSA members have regarding financial market developments in their jurisdictions.

In closing, ICSA members stand ready to work with the Mexican Presidency to develop a more comprehensive dialogue between the G20 and the financial services industry. We look forward to hearing from you about this proposal at your earliest convenience.

Yours sincerely,



Jong Soo Park, Chairman
International Council of Securities
Associations (ICSA)



Duncan Fairweather, Chairman
ICSA Standing Committee on
Regulatory Affairs