bankenverband

Press-release

3 September 2019

Banks call for open markets in Europe

Contact Person

Kerstin Altendorf
Media Spokeswoman
Tel. +49 30 1663 1250
kerstin.altendorf@bd-b.de

„**Open markets** are part of the **DNA** of European unity.“

Andreas Krautscheid
Chief Executive

- **Basel III – policymakers need to keep their word**
- **MiFID 2 – eliminate negative effects**
- **Financial transaction tax pure window dressing**

Against the backdrop of the new European Commission, the private banks underline that a Europe-wide home market is more important to them than ever. “We want more Europe. Even at a time when others are saying we should only pursue national strategies, we call for more integration – in spite or even because of the upcoming exit of the UK,” said Andreas Krautscheid, Chief Executive of the Association of German Banks, in Brussels. “A hard Brexit would be irresponsible,” Krautscheid continued. “It will once again make it clear to Europe how important open markets are and how much they are part of the DNA of European unity.”

Europe needed to strengthen this DNA at the present time. “But anyone who wants to further cement Europe’s position as a major global location for business, innovation and investment should not ignore the banks,” said the head of the association. In the forthcoming process of implementing Basel III, Germany and Europe should always keep the performance of their banks in mind and take account of their specific European business models. There should be no question of an “as is” implementation which would burden European banks with the need to raise additional capital to the tune of at least 135 billion euros. “Policymakers have always stressed that they don’t want a significant increase in capital requirements; they now need to keep their word,” Krautscheid said.

“The regulatory pendulum also needs to swing back with respect to MiFID 2, the Markets in Financial Instruments Directive. It has clearly swung too far out,” said Krautscheid. MiFID 2 had not passed the reality check: customers felt patronised, not protected. The private banks therefore supported the German government’s proposal to the European Commission that certain key aspects of MiFID 2 and the PRIIPs Regulation should be amended in the interests of investors.

“Unfortunately, this is not the only collateral damage to the equity culture,” Krautscheid went on to say, “because the plans for a financial transaction tax yet again under discussion now threaten to become a reality after all.” The idea of such a tax clearly runs counter to the Commission’s declared objective of strengthening Europe’s position on the global stage as a place to do business. The plans currently doing the rounds would not only damage the equity culture and thus provisioning for retirement among broad sections of the population, they would also mean a lot of bureaucracy. “The financial transaction tax project is therefore pure window dressing that will do more harm than good,” said Krautscheid.