

EUROPEAN PARLIAMENT UPDATE

August 2009



Welcome to the special edition of Hill & Knowlton's European Parliament update on financial services!

In this edition we focus on those MEPs who will play an important role in shaping pending financial services legislation. The new European Parliament will have to dive into the issues as soon as it returns from its summer break. With the reform of the financial services industry featuring on top of the EU's agenda as a result of the current crisis, new and returning MEPs will not have too much time to settle in first.

From the overarching issue of the reform of financial supervision for which a legislative proposal is expected from the Commission this autumn to the adoption of proposals that were tabled prior to and during the summer, such as the draft Directive on alternative investment fund managers (mainly hedge funds/private equity), or the close scrutiny of a number of policy measures, such as the ongoing review of the Capital Requirements Directive or Deposit Guarantee Schemes: the European Parliament will have to work hard and intensively to keep up with the pace at which new policy measures are currently being brought forward.

The new Parliament will not only have to deal with the review of broad financial market structures. It will also look closely at consumers' rights and the risks to which they are exposed. For instance, it will have to deal with upcoming initiatives on retail/consumer investment packages – a direct consequence of consumer losses following the bankruptcy of Lehman Brothers or possibly also with broader issues, such as responsible lending.

The nature of this work will be reflected by the Committees that will have to deal with the issues. While the newly composed ECON Committee, along with its chair Sharon Bowles MEP (UK, ALDE), will continue to lead on all financial services issues, the Internal Market and Consumer Protection Committee (IMCO) is likely to play an increasingly important role in shaping financial services legislation in the coming term. Its MEPs are likely to address key issues with a view to better equip consumers in the times of financial turmoil.

However, most of the attention will be on broader market and structural issues, such as the Capital Requirements Directive and the reform of financial supervision. Whether the new Parliament will be able to meet European citizens' expectations and prevent the failures of the past will largely depend on the position that the newly composed ECON Committee will take on the Commission's proposals.

Did you know that they will deal with financial services?...

Rachida Dati – the former political star

Until recently the closest collaborator of current French President Nicolas Sarkozy as well as his Minister of Justice, she was placed as a front runner for Sarkozy's UMP party in the European elections. Sarkozy decided that she would have to leave office and take up her post as MEP if she got elected. Rumour has it that he was growing tired of her omnipresence in French and international media – she almost overshadowed her boss. To the broader public, however, she is also known as a hard-working single mum - illustrated by her speedy return to work after the birth of her daughter in January.

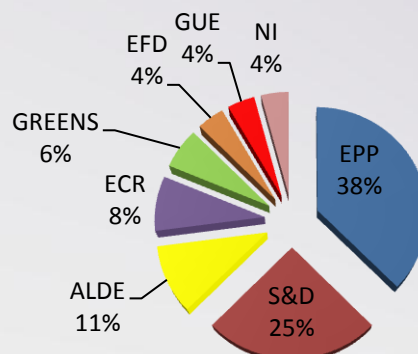
Eva Joly – the revolutionary judge

This new franco-norwegian MEP is a very well-known figure in her home countries. In particular in France where she has been a "juge d'instruction" (investigating judge) since 1990, and gained a reputation for adopting a tough line on high-profile politicians and businessmen : she sued big French CEOs, such as Bernard Tapie whose group owned adidas in the 90s and jailed Loik Le Floch-Prigent, former CEO of oil multinational Elf and of SNCF, the public railway/train operator. She even got Roland Dumas, president of the French Constitutional Court and former Foreign Affairs Minister condemned in a highly mediated corruption case.

Slavi Binev – the sporting millionaire

An MEP for Bulgaria since 2007, Slavi Binev is undoubtedly one of the most colourful members of ECON. His past as a Balkan (1990) and European (1992) Taekwondo Champion have probably determined his participation in the European Parliament Intergroup on Sports. He also heads a holding company owning companies in areas such as nightclubs, construction and finance. A father of five and a staunch opposition figure in Bulgaria, his party ATAKA is deemed to be on the far right. Notwithstanding, Slavi Binev is one of the most successful businessmen in Eastern Europe.

Balance of power in the new ECON Committee



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Spotlight on key ECON Members

Sharon Bowles (UK, ALDE) – Chairwoman

The new chairwoman has been an MEP since May 2005, when she immediately sat on the ECON Committee. She is a chartered and European patent attorney and established her own professional practice in 1981. During the previous term, she was a leading figure on issues, such as the new Solvency II regime for insurance companies and new legislation on payment systems. She has also authored reports on the fight against fiscal fraud or purchasing parities. Representing the South-East of England, her appointment as chair of ECON has been welcomed in particular by the UK financial services industry.

José Manuel García-Margallo y Marfil (Spain, EPP) – Vice Chair

A Member of the European Parliament for 15 years, José Manuel García-Margallo has been re-appointed as Vice Chair of the ECON Committee, a position he has held since 1999. Prior to that, his professional life focused on Spanish politics. Harvard educated, he had been a member of the Spanish Parliament since 1977 and was repeatedly the spokesman on economic and financial affairs. In the European Parliament, he has authored reports on issues such as tax evasion, the situation of the European economy and the transmission of national accounts data.

Arlene McCarthy (UK, S&D) – Vice Chair

A UK Labour MEP, Arlene McCarthy has been in the EP for 15 years. In the previous term, she chaired the powerful Internal Market and Consumer Protection Committee. As such, she was instrumental in passing key consumer legislation, such as roaming charges for mobile phones and toy safety. In the current term, she will be a Vice-Chair of the equally influential ECON Committee. A staunch defender of consumer rights, she is expected to ensure that consumer interests are reflected in any new financial services legislation.

Theodor Dumitru Stolojan (Romania, EPP) – Vice Chair

One of the first Romanian MEPs to join the European Parliament as a full member in 2007. He is one of the most senior figures in Romanian politics. With a PhD in Economics, he has held the post of Prime Minister of Romania in 1991-1992 as well as Minister of Finance 1990-1991. He has also worked as a senior economist at the World Bank and as an advisor to the Romanian President. A professor at the University of Transylvania, he is also a member of the Board of the Romanian-American Investment Fund.

Jean-Paul Gauzes (France, EPP)

A member of the European Parliament and the ECON Committee since 2004, Jean Paul Gauzes is also the coordinator of the EPP political group in ECON. Currently also the mayor of a small village in Normandy, he gained significant profile in the previous parliamentary term as the Parliament's chief negotiator of the Payment Services legislation. A lawyer by background, he has practiced at the highest French Courts and has also been a Legal and Tax advisor to the Dexia Group.

Sylvie Goulard (France, ALDE)

Although a newcomer to the European Parliament, Sylvie Goulard is not an unknown figure in Brussels. A political advisor to former European Commission President Romano Prodi, she has been closely involved in the work of the European Convention chaired by former French President Valéry Giscard d'Estaing which was tasked with drafting a constitution for Europe. A strong advocate for European integration, she will be the coordinator of the ALDE Group in ECON.

Kay Swinburne (UK, ECR)

Kay Swinburne, a British Tory, is a newcomer to the European Parliament but has already managed to secure a role as coordinator of the newly founded ECR group in ECON. This may be seen as a "thank you" for leading the Conservatives to victory in Wales for the first time in almost a hundred years. Holding a PhD in Medical Research as well as an MBA, she attracted significant media attention several years ago when she resigned from a senior post in the City as a victim of gender discrimination.

Are you ready for change?

To help you assess what the new European Parliament means for your organisation, Hill & Knowlton offers you:

- A tailored analysis of the new Parliament, including profiles of the most relevant MEPs, outlining their political background, their position on key policy issues and degree of influence within the new Parliament
- An assessment of the political balance within key Committees
- Analyses and timelines of key dossiers
- Ongoing political intelligence, with flash updates on relevant developments
- Outreach support to help you be among the first to establish meaningful contacts with those MEPs who matter most

To find out how Hill & Knowlton can help your organisation on EU policy matters, please contact: Elaine Cruikshanks, Head of Global Public Affairs, CEO Brussels, Email: ecruiksh@hillandknowlton.com, Telephone: +32 2 737 95 00