



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 1, 2010

Michel Barnier
European Commissioner for Internal Market and Services
European Commission
B-1049 Brussels

Dear Commissioner Barnier:

Please allow me to extend my congratulations on your new position as European Commissioner for Internal Market and Services. I look forward to meeting you soon and understand that you intend to visit Washington in the near future.

The U.S. – EU relationship is absolutely vital for achieving effective regulation of financial markets. Over the last 10 years, as we have dealt with numerous tough issues, we have created a solid basis of cooperation in financial regulatory policy. We represent the two largest capital markets in the world and our leadership is essential if we are going to strengthen global financial governance. The U.S. and EU have made significant strides in the G-20, and the Pittsburgh Summit lays out a roadmap for us to follow. It is essential that we work together to deliver on the commitments made by our Leaders.

One issue, which the U.S. and EU have discussed over the last several months, is the regulation of the alternative investment fund management industry. In this area, and others, I believe we agree that is essential to fulfill our G-20 commitment to avoid discrimination and maintain a level playing field. In this context, we are concerned with various proposals that would discriminate against US firms and deny them the access to the EU market that they currently have. We strongly hope that the rules that you put in place will ensure that non-EU fund managers and global custodian banks have the same access as their EU counterparts. You will see that our approach in the U.S. maintains full access for EU fund managers and custodians to our market.

Let me reiterate that I look forward to working with you as we grapple with the challenge of strengthening the global regulatory system. Should you wish to speak further on this or other issues, please do not hesitate to contact me.

Sincerely,

Timothy F. Geithner

Similar letter sent to:
Spanish Finance Minister Salgado