

Sign-on Statement in Support of Ecuador's Proposal at the October Committee on Trade in Financial Services Meeting

September 24, 2012

The global financial crisis highlighted the need for robust regulation of the financial services sector to ensure financial stability and to avoid future crises. However, trade and finance experts have raised concerns that the rules of the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS) and related WTO financial services rules could pose obstacles to post-crisis efforts to enhance regulation underway both on the domestic and international levels.

In June 2012, WTO member state Ecuador tabled a modest but important proposal the goal of which is to provide all governments with greater certainty that the WTO rules governing financial services provide sufficient policy space for needed financial reregulation and do not deter improved coherence between the WTO and other international bodies promoting financial reregulation. Ecuador specifically proposed that WTO members undertake a discussion at the WTO's Committee on Trade in Financial Services (CTFS) about the current scholarship and opinion at the international level with respect to macro-prudential regulation and its relationship to the GATS rules.

This latest initiative comes as a follow up to an effort led by Ecuador in advance of the 2011 WTO Ministerial Conference. Then Ecuador proposed to insert language into the Ministerial Declaration to launch a review of the regulatory implications of the GATS rules relating to financial services. Argentina, Brazil, China, India, South Africa, Turkey and scores of other countries supported this proposal. But it was blocked by the United States, the European Union and Canada. The countries opposed to the review said that it was not necessary because the current WTO rules provide sufficient policy space for countries to maintain or establish robust financial regulation.

Ecuador's new proposal is simply aimed at giving other WTO member countries the same confidence about their regulatory policy space. Ecuador's proposal will be discussed at the next quarterly meeting of the CTFS, which will take place the first week of October 2012. And, now we understand that the countries who blocked the formal review of the rules are threatening to block even holding Ecuador's proposed special educational session on this issue that would facilitate WTO member countries developing a common understanding of the rules and their relation to financial regulation.

More than 100 countries, including dozens of developing countries, have GATS financial services commitments. Countries that did not schedule exceptions - and now post-crisis seek to re-regulate in committed sectors using mechanisms that may be prohibited by GATS rules - could (1) face a WTO challenge, (2) choose not to institute a needed regulatory tool to avoid a threatened challenge, or (3) be required to negotiate compensation terms with affected member states to alter their commitments, which may be infeasible, especially for developing countries.

We cannot afford to wait until the next financial crisis to ensure that countries' WTO commitments do not interfere with or chill financial regulation.

We, the undersigned organizations, **urge all WTO member states to support at the upcoming October 2012 meeting the modest proposal for discussion of the WTO financial services rules and financial regulation within the WTO's Committee on Trade in Financial Services.** It is critical for all member states to have full confidence that the policy space exists in these agreements for financial regulation. Given various threats by industry interests that countries efforts to strengthen their financial regulation conflict with "trade" commitments, such clarity is critical so that countries' financial reforms are not chilled for fear that they would be subject to a WTO Dispute Panel deciding the meaning of GATS rules in the context of a challenge to their domestic laws.

Global networks

1. Consumers International	Represents 240 member organizations in 120 countries
2. Economic Governance for Health	Global grassroots coalition group
3. IndustriALL Global Union	Represents 50 million members in 140 countries
4. International Trade Union Confederation (ITUC)	Represents 175 million members in 153 countries and territories
5. LDC Watch	Global alliance of national, regional and international civil society organizations
6. Public Services International (PSI)	Represents 20 million members in 150 countries
7. Social Watch	Network of national coalitions of civil society organizations
8. The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF)	Represents 12 million members in 120 countries

Inter-regional and regional networks

9. Africa Development Interchange Network (ADIN)	Africa
10. Africa-Europe Faith and Justice Network (AEFJN)	Belgium
11. Agency for Cooperation and Research in Development (ACORD)	Africa
12. East African Trade Union Confederation (EATUC)	Africa

13. European ATTAC Network	EU
14. The European Consumers' Organisation (BEUC)	EU
15. Latin America and the Caribbean Council of AIDS Service Organizations (LACCASO)	Latin America
16. Latin American Network on Debt, Development and Rights (LATINDADD)	Latin America
17. Pacific Network on Globalisation	Pacific Islands

National organizations and sub-national networks

18. Acción del Consumidor (ADELCO)	Argentina
19. Federación Argentina de Empleados de Comercio y Servicios (FAECYS)	Argentina
20. Foro Ciudadano de Participación para la Justicia y los Derechos Humanos (FOCO)	Argentina
21. AID/Watch	Australia
22. Australian Council of Trade Unions (ACTU)	Australia
23. Australian Fair Trade and Investment Network (AFTINET)	Australia
24. Association pour la Taxation des Transactions financière et l'Aide aux Citoyens (ATTAC) Austria	Austria
25. Center for Encounter and Active Non-Violence	Austria
26. Informationsgruppe Lateinamerika (IGLA)	Austria
27. Sushasoner Jonny Procharavizan (SUPRO)	Bangladesh
28. Voices for Interactive Choice and Empowerment (VOICE)	Bangladesh
29. CNCN-11.11.11, Centre national de coopération au développement	Belgium
30. CSC Belgium	Belgium
31. Kairos Europe - Belgium	Belgium
32. Dynamique des Organisations de la Société Civile d'Afrique Francophone (OSCAF)	Benin
33. Brazilian Network for Peoples' Integration (REBRIP)	Brazil
34. Colegiado de Gestão do INESC	Brazil
35. Equit Institute	Brazil
36. Gestos-HIV, Comunicação e Gênero	Brazil
37. Proteste Brasil	Brazil
38. Confédération Syndicale du Burundi (COSYBU)	Burundi
39. Council of Canadians	Canada

40. La Confédération des syndicats nationaux (CSN)	Canada
41. Finnwatch	Finland
42. Association pour la Taxation des Transactions financière et l'Aide aux Citoyens (ATTAC) Finland	Finland
43. PowerShift- Germany	Germany
44. Verbraucherzentrale Bundesverband (vzbv)	Germany
45. Association pour la Taxation des Transactions financière et l'Aide aux Citoyens (ATTAC) Hungary	Hungary
46. Madhyam, New Delhi	India
47. Comhlámh	Ireland
48. NGO Action from Ireland (Afri)	Ireland
49. Presentation Justice Network Ireland	Ireland
50. Confederazione Generale Italiana del Lavoro (CGIL)	Italy
51. Campaign for Social & Economic Justice (CSEJ)	Jamaica
52. Marcus Garvey Peoples Political Party (MGPPP)	Jamaica
53. Pacific Asia Resource Center(PARC)	Japan
54. People's Action Against TPP	Japan
55. Zenroren, National Confederation of Trade Unions	Japan
56. Aids Orphans Care And Support Programme (AOCASP)	Kenya
57. Central Organization of Trade Unions - Kenya (COTU-K)	Kenya
58. Kenya Debt Relief Network (KENDREN)	Kenya
59. Federation of Korean Trade Unions (FKTU)	Korea
60. Korean Confederation of Trade Unions (KCTU)	Korea
61. Consumers Protection Association	Lesotho
62. Friends of the Earth Mauritius	Mauritius
63. Alconsumidor AC	Mexico
64. Bia'lii, Asesoría e Investigación, A.C.	Mexico
65. Justice and Peace Commission	Mexico
66. Red Mexicana de Acción Frente al Libre Comercio (RMALC)	Mexico
67. FIRST Union	New Zealand
68. New Zealand Council of Trade Unions Te Kauae Kaimahi	New Zealand
69. New Zealand Democrats for Social Credit	New Zealand
70. National Association of Nigerian Traders (NANTS)	Nigeria
71. Trade and Gender Network Initiative	Nigeria
72. Both ENDS	The Netherlands

73. Association pour la Taxation des Transactions financière et l'Aide aux Citoyens (ATTAC) Norway	Norway
74. Norwegian Forum for Environment and Development	Norway
75. Red Peruana por una Globalizacion con Equidad RedGE	Peru
76. Board of Church and Society-Philippines Central Conference	Philippines
77. Board of Church and Society-Southwest Philippines Annual Conference	Philippines
78. IBON Foundation	Philippines
79. Initiatives for Dialogue and Empowerment through Alternative Legal Services (IDEALS)	Philippines
80. Migrant Ministry of the United Methodist Church in the Philippines	Philippines
81. Centrale des Syndicats des Travailleurs du Rwanda (CESTRAR)	Rwanda
82. Alternative Information and Development Centre (AIDC)	South Africa
83. Congress of South African Trade Unions (COSATU)	South Africa
84. National Labour and Economic Development Institute (NALEDI)	South Africa
85. South Durban Community Environmental Alliance	South Africa
86. Ecologistas en Acción	Spain
87. Trade Union Congress of Tanzania (TUCTA)	Tanzania
88. Zanzibar Trade Union Congress (ZATUC)	Tanzania
89. The Caribbean Association for Feminist Research and Action (CAFRA) - Trinidad and Tobago	Trinidad and Tobago
90. The National Organisation of Trade Unions (NOTU)	Uganda
91. Jubilee Debt Campaign, UK	UK
92. Trade Justice Movement	UK
93. Trades Union Congress (TUC)	UK
94. World Development Movement	UK
95. War on Want	UK
96. American Federation of Labor-Congress of Industrial Organizations (AFL-CIO)	USA
97. Americans for Financial Reform	USA
98. Center for Digital Democracy	USA
99. Center of Concern (COC)	USA
100. Chicago Political Economy Group	USA
101. Citizen's Trade Campaign	USA

102. Daughters of Charity	USA
103. Food & Water Watch	USA
104. Friends of the Earth - USA	USA
105. Gender Action	USA
106. Global Exchange	USA
107. Institute for Agriculture and Trade Policy	USA
108. Institute for Policy Studies, Global Economy Project	USA
109. Just Foreign Policy	USA
110. National Association of Consumer Advocates (NACA)	USA
111. New Rules for Global Finance Coalition	USA
112. Public Citizen	USA
113. United Church of Christ, Justice and Witness Ministries	USA
114. US Public Interest Research Group (PIRG)	USA