



AFX International Focus

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INTERVIEW McCreevy says EU in danger of 'drowning' in financial markets red tape
LONDON (AFX) - European Union internal market commissioner Charlie McCreevy said over-regulation in the financial services sector has left the EU close to 'drowning' in red tape, and that further measures should be launched only if likely to bring 'clear benefits.'

Speaking to Thomson Investment Management News on the sidelines sides of a meeting organised by the Association of European **Independent Research Providers, (EUROIRP)**, McCreevy said: 'We have done so much in recent years that we are in danger of drowning.'

His comments came after he had assured **EUROIRP** delegates that the EU would not legislate on independent research unless prompted by market failures.

He said that although some areas of the European financial services like asset management needed attention, extra regulation should be created sparingly.

'My attitude is that there should be a clear case for new regulation. The best way not to have red tape is not to start the idea (of producing more laws) in the first place,' he said.

'Before you start you should be convinced there is going to be a clear, worthwhile benefit and there is a clear public need for legislation in that particular area. The best regulation is whatever is the most effective,' he said.

McCreevy, well known for his direct, no-nonsense comments on financial and economic matters, is in charge of improving implementation and enforcement of single market rules and the liberalisation in areas such as utilities, services and public procurement.

And despite his reservations, the commissioner is optimistic about the future of financial services in the EU, where discussions about major decisions are proving more and more effective.

'One can be critical of many things about the European Union but one thing not even I can be critical of is that they do have a very involved consultation process'

'For everything we do, we invite wide consultation: online, at seminars, meetings. And that is one way of finding out problems at early stages,' he said.

'When it comes to implementing measures and trying to agree on costs for members states, it is a question of education and understanding different cultures.'

'Our purpose is to create a single market in financial services that can be competent and where business and individuals get the best deals, that is the purpose and that is what we will be judged for.'

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