

TradeandCompetition

FinancialServices

Importance of Financial Services Sector

- Competitiveness of Domestic Economy
- Insurance and Banking
 - Lifeblood for many related sectors
- Access to Capital
 - Role of Equity Funds, Venture Capital etc.

TheTradeContext

- GATSAgreement
- GATSFinancialServicesAnnex
 - TypeofCommitments
 - ModesforServiceProvision
 - Bindings
- DifficultyAssociatedwithGATStype solutions

Role of Competition and Structural Restraints

- Stability
- Stimulation of Commerce
- Risk Management
- Improved Efficiency
 - Consumer Welfare Enhancement

Example of Japanese Postal Privatization

- Role of Competition Policy
- Interface Between Competition and Domestic Regulation
 - Cross-Subsidization
 - Universal Service Commitments in Other Areas
 - Equivalence in Regulation and Compliance Costs

InterfaceWithJapanWTO Commitments

- Japan can apply discriminatory limits in new products
- Commercial presence required for certain insurance products
- Reduction in Scope of Monopoly Service Providers
- Exemptions from Certain Japanese Laws

Prudential Regulation

- Costs and Benefits of Market Impact
- Capital Adequacy
- Calibrating Regulatory Response
- Examples of Foreign Bank Entry Restrictions, Brazil, Canada

Private Equity/Venture Capital

- Restrictions
- Usually for Sound Prudential Reasons
- Need to balance prudential reasons with pro-competitive solutions

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