



The Alliance for Lobbying Transparency and  
Ethics Regulation in the EU (ALTER-EU)

Brussels, July 13 2010

To: Michel Barnier, European Commissioner for Internal Market and Services

Re: Securing balanced representation in expert groups dealing with financial issues

Dear Commissioner Michel Barnier,

MEP Sven Giegold informed us about the meeting you had on July 9<sup>th</sup> to discuss the issue of Commission expert groups on financial market regulation issues. We are very encouraged to hear that you will improve transparency around these expert groups and ensure a balanced representation within the groups, including rebalancing expert groups suffering from a biased composition. With this letter we would like to present a list of expert groups on financial issues that we consider to be unbalanced as well as some specific proposals for solving these problems.

There are currently at least eleven expert groups on financial market issues with an unbalanced composition in favour of the (financial) business sector (companies and trade associations). In our view, the composition of these expert groups does not respect the Commission's '*Principles and Guidelines on the Collection and Use of Expertise*' or the '*General Principles and Minimum Standards for Consultation of Interested Parties*'. Nine of these groups were covered in our report '*A Captive Commission: the role of financial industry in shaping EU regulation*' (November 2009).<sup>1</sup> The eleven groups are the following:

1. Clearing and Settlement Advisory and Monitoring Expert Group 2 (31 industry representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=2194>
2. Clearing and Settlement Code of Conduct Monitoring Group (62 industry and 4 government representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=1926>
3. EU Clearing and Settlement: Fiscal Compliance group (9 industry, 3 government, 1 academic, and 1 private expert representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=1445>
4. EU Clearing and Settlement: Legal Certainty group (22 industry, 6 government, 7 academic, and 1 private expert representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=1444>
5. European Securities Markets Expert Group (21 industry representatives)<sup>2</sup> - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=1816>
6. Payment Systems Market Group (35 industry, 2 government, and 3 NGO representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=655>
7. Payment Systems Market Expert Group (43 industry, 2 government, 1 academic, 1 trade union, and 3 NGO representatives) - <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=2287>
8. The Expert Group on Financial Education (14 industry representatives, and 5 private experts) - [http://ec.europa.eu/internal\\_market/finservices-retail/docs/capability/members\\_en.pdf](http://ec.europa.eu/internal_market/finservices-retail/docs/capability/members_en.pdf)
9. Expert group on credit histories (10 industry, 2 public data protection bodies, 3 from consumer

<sup>1</sup> '*A Captive Commission: the role of financial industry in shaping EU regulation*', ALTER-EU, November 2009. <http://www.greenpeace.org/raw/content/eu-unit/press-centre/reports/a-captive-commission-5-11-09.pdf>

<sup>2</sup> The ESME Group has been removed from the Register of Expert Groups. However the minutes of its last meeting clearly state that it is to be consulted on issues reaching far out into the future. It should be clarified whether this group has been dissolved or not and if not then it should be re-included in the Register. - [http://ec.europa.eu/internal\\_market/securities/docs/esme/agenda\\_20091210\\_en.pdf](http://ec.europa.eu/internal_market/securities/docs/esme/agenda_20091210_en.pdf)

- organisations, 4 credit information companies, one representative of the thinktank CEPS)  
<http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=2191>
10. Derivatives Expert Group (34 industry and 10 government representatives) -  
<http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=2299>
11. Group of Experts in Banking Issues (37 industry, two academics and one NGO)  
[http://ec.europa.eu/internal\\_market/bank/docs/list-gebi-members\\_en.pdf](http://ec.europa.eu/internal_market/bank/docs/list-gebi-members_en.pdf)

For each of these and other unbalanced expert groups we recommend a far-reaching rebalancing: changing the composition by including more consumer groups, independent academics, civil society organisations and trade unions. Considering their unbalanced composition, a wider change in the mandate and work programme of these groups should be considered as well in order to ensure that societal impacts of financial market policies are included. In addition it is our strong opinion that experts working for corporations, industry associations, NGOs or trade unions with financial interests in the issues dealt with by the expert group, cannot be members of such expert groups ‘in a personal capacity’. As they have a clear interest, it should be clear that they act on behalf of that interest.

More generally, we would like to make the following recommendations:

1: Disclose the full membership (names and organisations) and all relevant documents (reports and minutes) for all groups that advise the Commission on financial regulation in the register for expert groups (including ad-hoc working groups).

2: Initiate a broad critical review of the Commission's practices regarding expert groups on financial regulation over the last years, including an assessment of topics and mandates (as the tendency has been to establish expert groups on issues mainly of interest to industry, while ignoring societal interests)

3: The Commission must ensure a balanced representation of all its expert groups, through open and fair processes around the application for and selection of membership, seeking a diversity of views. These rules must apply to all expert groups, including those dealing with technical issues. Steps to achieve this should include:

- full online transparency around the launch of new Expert Groups, and broad outreach for calls for expertise
- safeguards against unbalanced composition of expert groups. No expert group should be dominated by industry representatives (representatives of commercial interests should never make up more than half of non-governmental participants)

These measures should not just be applied to new groups, but to existing groups as well.

4: Representatives of firms and organisations should not be in expert groups in a “personal capacity”

5: The Commission must offer sufficient financial compensation to enable non-industry experts (academics, civil society groups and other public interest groups) to participate in expert groups, including for building up independent expertise

We look forward to your response to our proposals.

Yours sincerely,

The steering committee of ALTER-EU

Paul de Clerck (Friends of the Earth Europe);  
William Dinan (Strathclyde University & Spinwatch);  
Marc Gruber (European Federation of Journalists);  
Gildas Jossec, AITEC;  
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