

SWISS DERIVATIVES *Review*

ISSUE 53 – AUTUMN 2013

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In my opinion ...

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Why lie to people? The US spies on the planet, so-called anti-money laundering measures are not to fight drug trafficking or terrorism financing but tax evasion and so forth. Similarly, the crisis in Europe today has nothing to do with the US sub-prime market debacle or Lehman's gambling failure. Its true reason is the abyssal budget deficit built up by the social-democrat governments in Europe over the last 50 years. The emerging markets are not so much concerned or only to the point that the Western deficit is happily financed by the BRICS surplus – now for how long can one live on credit?

It seems that the European politicians and the apparatchiks running the show behind the scenes regard the financial industry (banks, insurance companies and intermediaries alike) as the sole responsible for the crisis. Pharaonic government deficits are completely ignored and the ban on commission, the ban on incentive and other coercive measures are the answer to all the problems of Europe. Newly jobless ex-workers of the financial services industry will surely agree!

Regarding taxation, the US has dictated to the world its way of thinking (FATCA: global means American ...) – well the world ... Let's say only the EU because one may doubt seriously that China, Russia and Dubai will accept to comply with the requirements of Mr Obama and his best friend François Hollande.

All may think that tax fraud is a crime and tax evasion is a form of misbehaviour but tax avoidance is the target of the EC on moral grounds and tax optimisation is regarded as socially unacceptable by Brussels and the EU Members States' governments. This will mean no doubt more reporting, millions of data exchanged between government computers and less privacy for EU citizens besides enormous additional costs. This cost in money terms and time for the financial intermediaries will be another nightmare. They have to deal with the financial institutions' compliance officers who behave more like cops than the real ones do.

In fact, the private sector is the victim of the massive debt level of the public sector. For financial intermediaries, it is nose to the ground and always more work with less revenue. Regulation as you know makes things more and more complicated from a structuring standpoint and makes it less and less fun to get things done. The small man is being crushed – both the financial intermediary and their customer alike. As a consequence we see very strong anti-EU feelings grow amongst the European population.

The path to hell is often described as one paved with good intentions. It seems the case with the current tsunami of regulation hitting the financial services industry with no benefit whatsoever for the consumer. The EC presented several programs for “Reducing administrative burden on businesses” – honestly without much success. I quote: “The Commission ascertains that unnecessary and disproportionate Administrative Costs may hamper economic activity and/or irritate business, citizens and public authorities. Measuring and reducing Administrative Costs would decrease overall cost of doing business; allowing additional investment and innovation, which in turn would improve productivity and competitiveness”. God bless!

