

INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

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Trade Unions Call on Financial Stability Board to Raise the Regulatory Bar for Global Banks That Have Become Too-Big-to-Fail

Brussels, 18 July 2011 (ITUC OnLine): As the Plenary of the Financial Stability Board (FSB) meets in Paris today, international trade union organisations have submitted their priorities for the FSB current programme of action as mandated by the G20.

Trade unions consider global banks that are too-big-to-fail – the "global systemically important financial institutions", regarding which supervision and regulation are key to today's plenary agenda – to pose a real and immediate threat to the state of public finance, and hence to taxpayers and working families, across OECD and emerging economies.

Trade unions call upon the new FSB programme on consumer financial protection to involve employees of credit and insurance institutions.

According to trade unions, it is also time now for the FSB to address the issue of the Financial Transactions Tax (FTT), as many G20 governments have already expressed their support. The European Commission now considers the FTT as a serious option, and both the OECD and the IMF have now indicated that an FTT could be part of an effective strategy for the financial sector.

Trade unions have also commented on the oligopoly of credit rating agencies, the need for the new Basel 3 prudential framework to promote long-term investments and the regulation of over-the-counter (OTC) derivatives. To see the letter sent by the ITUC, TUAC and UNI to Mr Svein Andresen, secretary general of the Financial Stability Board, please click here: <http://www.ituc-csi.org/trade-union-comments-ahead-of-the.html>

The ITUC represents 175 million workers in 151 countries and territories and has 305 national affiliates. Website: <http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI>

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