

May 22, 2002

Opening Statement for Congressman Paul E. Gillmor
House Financial Services Full Committee Hearing
“The European Union’s Financial Services Action Plan and its Implications for the
American Financial Services Industry”

I would like to thank Chairman Oxley for holding this important hearing this morning to examine the European Union’s (EU) Financial Services Action Plan (FSAP) for financial integration. It is very important that this committee investigate the probable impact of this European initiative on our domestic markets.

In today’s global financial system the ramifications of substantive changes in European regulations will extend to the American market, just as the effects of the Enron collapse have been felt worldwide. In fact, several of the 40 measures composing the strategic objectives of the FSAP have been revisited and revised due to both the Enron situation and the September 11th terrorist attacks in the United States.

I applaud the overall goals of the EU’s financial integration initiative but am very interested in hearing from today’s witnesses on some areas of potential concern, and particularly those that will have a direct impact on American businesses and may impede overall market competitiveness. Today, I look forward to learning more regarding the FSAP’s proposed changes in the supervision of financial conglomerates as well as additional capital and risk control requirements.

As this committee continues to focus on lessons to be learned from the Enron collapse, our witnesses’ opinions on international accounting standards, specifically those promulgated by the International Accounting Standard Board (IASB), will be of particular interest to me.

Again, I thank the Chairman for holding this important hearing and look forward to a very informative session.