

EN

EN

EN



EUROPEAN COMMISSION

**Internal Market and Services DG**

DG MARKT/20.05.2005

DG INTERNAL MARKET AND SERVICES WORKING DOCUMENT

**INTERNATIONAL REGULATORY DIALOGUES  
CONCERNING  
THE POLICIES OF DG INTERNAL MARKET AND SERVICES**

# TABLE OF CONTENTS

<b>1.</b>	<b>INTRODUCTION</b> .....	3
<b>1.1.</b>	<b>IMPORTANCE OF INTERNATIONAL REGULATORY DIALOGUES</b> .....	3
<b>1.2.</b>	<b>SCOPE OF THIS WORKING PAPER</b> .....	3
<b>2.</b>	<b>STATE OF PLAY OF REGULATORY DIALOGUES ON DG MARKET POLICIES</b> .....	4
<b>2.1.</b>	<b>ACHIEVEMENTS</b> .....	5
<b>2.2.</b>	<b>LESSONS LEARNED</b> .....	5
<b>3.</b>	<b>THE WAY FORWARD</b> .....	6
<b>3.1.</b>	<b>PRIORITIES</b> .....	6
3.1.1.	US and Japan .....	7
3.1.2.	China .....	8
3.1.3.	Other Countries .....	8
<b>3.2.</b>	<b>EFFECTIVENESS</b> .....	9
3.2.1.	Communication and understanding.....	9
3.2.2.	Regular consultation and transparency .....	9
3.2.3.	Promotion of convergence .....	9
3.2.4.	Recognition of equivalence.....	10
<b>3.3.</b>	<b>NEED FOR A BROAD PARTNERSHIP</b> .....	10
3.3.1.	Transparency towards the outside .....	10
3.3.2.	Other institutional dialogues .....	11
3.3.3.	Civil society dialogues and roundtables.....	11
3.3.4.	Key academic fora.....	11
<b>4.</b>	<b>CONCLUSIONS</b> .....	12
	<b>Feedback</b> .....	12

## **1. INTRODUCTION**

### **1.1. IMPORTANCE OF INTERNATIONAL REGULATORY DIALOGUES**

The EU has always supported the trend towards global free trade and it has recognised the increasing economic interdependence of markets across borders. If properly addressed, these developments have the potential of increasing the wealth of the global economy. Globalisation clearly puts pressure on Europe to reform its economy and become more competitive. Europe needs to respond to this pressure internally but it also has to pay growing attention to its external front. The Internal Market can only deliver fully on its key internal priorities if these priorities are adequately addressed on the world scene.

Regulatory developments outside the Internal Market increasingly have an impact on EU market players and the Internal Market framework. In cases of high interdependence of markets, widely differing regulatory systems can lead to obstacles in trading with, and investment in, third countries. This can result in significant burdens for EU companies working globally and may partly unravel the work that is being done through the Internal Market to enhance competitiveness. In some cases it can even lead to significant conflicts of laws. Recent examples are the measures taken by the US following some corporate scandals (US Sarbanes-Oxley Act). To avoid this, it is essential that the Internal Market legal framework is adequately attuned to the global economic framework in general and to key marketplaces in particular, and vice-versa. This will also help to boost the competitiveness of market players working in a global environment and thereby be a useful external element to the renewed Lisbon strategy, which also highlights the importance of a fresh drive for international regulatory and administrative convergence<sup>1</sup>.

The best way to reply to these challenges is through intensified cooperation with the regulators for relevant third country markets, working upstream of the political process towards trying to achieve convergence on basic regulatory principles, where appropriate. Experience within DG MARKT<sup>2</sup> has shown that this new way of cooperation can be highly effective in problem solving or even problem prevention and in fostering mutually acceptable solutions to regulatory issues of mutual concern.

Any such regulatory dialogues, in order to be helpful, must, of course, take due account of, and support, multilateral initiatives in the policy field at hand. A good example of this is the informal EU-US Financial Markets Regulatory Dialogue.

### **1.2. SCOPE OF THIS WORKING PAPER**

This Working Paper addresses the state of play of ongoing regulatory dialogues between the Commission and certain third country regulators on DG MARKT issues. It identifies new priorities, country-wise and policy-wise. As announced in the Internal

---

<sup>1</sup> Cf. Communication to the Spring European Council “Working together for growth and jobs: A new start for the Lisbon Strategy”, COM (2005) 24 final of 2 February 2005, and there notably section “Growth and jobs: the global dimension”, p.19.

<sup>2</sup> The term “DG MARKT” is being used throughout the document instead of the official name “Internal Market and Services Directorate General” to facilitate reading.

Market Strategy (2003-2006)<sup>3</sup>, it sets out DG Internal Market's short and medium-term strategy on dialogues with relevant third country regulators.

Regulatory work is, of course, also done within multilateral organisations, such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO) or in the framework of bilateral or regional trade and investment negotiations. New international agreements increasingly contain provisions on regulatory cooperation and imply regulatory work for the Commission. Regulatory cooperation has also become widespread in relation to candidates for accession to the EU, to the countries covered by the European neighbourhood policy and to transition economies and developing countries.

This Working Paper does not deal with the regulatory work done in such multilateral fora, in the context of enlargement or in regional trade and investment negotiations. Neither does it cover regulatory dialogues that take place between the Commission and third countries on issues other than those covered by DG MARKT.

## **2. STATE OF PLAY OF REGULATORY DIALOGUES ON DG MARKT POLICIES**

DG MARKT is engaged in a number of regulatory dialogues, with a particular focus on the US, Japan and, since 2004, China. Its overriding aim is to enhance compatibility between its policies and those of its key partners. The underlying key rationale is to ensure that EU economic operators and other stakeholders can be present on markets in other parts of the world without undue difficulty and burden.

The tools used in each of these dialogues differ. Most dialogues start with a process of confidence building and information sharing on domestic regulation, this still being the case with China. This in itself is beneficial; it leads to better understanding of each other's approach. Contacts established through these dialogues also provide an opportunity to flag upcoming domestic regulation or to exchange information on positions to be taken by both sides in multilateral fora or to otherwise cooperate with respect to such positions.

After a while most dialogues arrive at a higher degree of cooperation, including work on building convergence and recognizing equivalence of rules: examples are the informal EU-US Financial Markets Regulatory Dialogue<sup>4</sup>, the EU-Japan Financial Issues High Level Meeting<sup>5</sup>, or the EU-Japan Regulatory Reform Dialogue (RRD)<sup>6</sup>. Where necessary these dialogues also focus on persuading regulators in third countries to amend rules which give rise to difficulties for EU economic operators (such as with certain aspects of the US Sarbanes-Oxley Act) without in any way asking those regulators to lower their investor or consumer protection standards.

### **2.1. ACHIEVEMENTS**

Regarding the **US**, good progress has been made in building an open, ex-ante regulatory dialogue on financial markets and services, the informal EU-US Financial

---

<sup>3</sup> COM (2003) 238 final of 7 May 2003.

<sup>4</sup> Cf. EU-US Financial Markets Regulatory Dialogue, Timelines 2004/2005, June 2004.

<sup>5</sup> Co-managed with DG Economic and Financial Affairs.

<sup>6</sup> DG External Relations is responsible for the Regulatory Reform Dialogue.

Markets Regulatory Dialogue, which started in 2002. Initially the dialogue was meant to be a broad platform to discuss regulatory issues linked to financial markets and services. It quickly turned out to be a useful vehicle for resolving frictions in this area caused by regulatory spill-over (e.g. new auditing rules issued in the US Sarbanes-Oxley Act, following corporate scandals). Several important regulatory understandings (e.g. on the agreed cooperative model for the implementation of the US Sarbanes-Oxley Act and on clarifying regulatory issues dealt with by the EU Directive on financial conglomerates) have helped to reduce transatlantic tensions in these areas. The Financial Markets Regulatory Dialogue is widely recognized (by Member States, the European Parliament and stakeholders) as being useful and effective in defusing politically sensitive confrontations in key policy fields. Its strength is derived from its informal nature, allowing regulators from both sides of the Atlantic to try to work out solutions acceptable to both constituencies in a non-confrontational manner.

Regarding **Japan**, the EU-Japan Financial Issues High Level Meeting has served as a platform to improve mutual understanding of domestic regulatory and supervisory developments in the financial services and markets areas. The High-Level Regulatory Reform Dialogue (RRD), a more formalised two-way dialogue managed by the External Relations Directorate General and in which DG MARKT is actively involved, has also yielded progress on a number of issues. This dialogue is aimed at improving the general regulatory environment and the transparency in regulatory procedures. A recent positive result of this dialogue is that Japan now allows foreign law firms to enter into partnerships with Japanese lawyers.

## **2.2. LESSONS LEARNED**

The lessons learned from these dialogues are that they can be of high practical value for EU industry, in particular when issues are well chosen, reflecting political or business priorities, and when they successfully manage to reduce cost and frictions resulting from spill-over of regulation into another jurisdiction. There is, however, hardly ever a “quick fix solution” to regulatory problems. The sometimes slow and modest results of regulatory cooperation reflect certain real-world limitations. Legislation and regulation are often the result of domestic political processes that tend to tackle a problem from a purely domestic angle. The US Sarbanes-Oxley Act of 2002 on corporate governance is a good illustration of this.

Experience has shown that notably in areas of financial services and corporate governance effective international cooperation is not an optional extra – it is an economic, political and regulatory necessity. If well done, regulatory dialogue will avoid or minimise regulatory conflicts, but it will also contribute to improving rules, in line with the Commission’s “Better Regulation” approach<sup>7</sup>. Convergence of regulatory and supervisory principles towards best standards and practices will also help to minimize compliance and adjustment costs in the different jurisdictions. All these elements will help to boost competitiveness, growth and jobs, in line with the renewed Lisbon process.

---

<sup>7</sup> Cf. COM Action Plan “Simplifying and improving the regulatory environment”, COM (2002) 278 final, 5 June 2002.

Successful cooperation may indeed trigger significant economic rewards. To take an example: according to an outside study<sup>8</sup>, removing regulatory barriers in the transatlantic securities market has the potential of lowering trading costs on both sides of the Atlantic by 60% with a consequent 50% increase in trading volumes, and a related decline in the cost of equity capital. What is as important is the continuously growing relationship of mutual trust and understanding which will evolve between regulators in a functioning dialogue. Such a relationship is critical to avoid economic or regulatory impediments which often are a by-product of regulation adopted “in isolation”.

Equally important to identifying the right issues to discuss is, of course, the way a dialogue is handled. Regulatory dialogues only bear fruits if they receive sufficient political attention and commitment. This includes mutual agreement on objectives and realistic timelines for their implementation. It also includes being sure of political support for regulatory accommodations from legislators (e.g. the European Parliament or US Congress). A further condition is that, whilst political support is important, dialogues mainly take place between the regulatory experts themselves, in a non-confrontational climate of expertise and understanding, and are accompanied by a healthy mixture of ambition and realism. Experience shows that regulatory dialogue flourishes best if kept flexible, informal (avoiding unnecessary structures or heavy procedures), and working upstream of the regulatory process.

### **3. THE WAY FORWARD**

Going forward, the services of DG MARKT will continue to make best use of regulatory dialogues and to improve them in the light of experience.

Three general objectives can be distinguished in DG MARKT’s work on international regulatory dialogues:

- (i) to prevent and remove regulatory inefficiencies and frictions in international business;
- (ii) to manage with the EU’s global partners the major structural changes on the global stage – seeking cooperative outcomes where possible;
- (iii) to protect the Internal Market from instability, fraud and other illegal activities.

These objectives are being pursued against the background of achieving higher quality regulations which will enhance a proper functioning of the Internal Market and of fostering competitiveness, growth and jobs.

#### **3.1. PRIORITIES**

It is important to focus on a small number of regulatory dialogues since a good dialogue is resource intensive, requiring significant medium to long term commitments. Priority will be given to those regulators and issues where regulatory interdependence is highest and where inefficiencies or frictions are most likely to cause damage. In short: concentrate on dialogues that will have greatest impact.

---

<sup>8</sup> Cf. “Building a Transatlantic Securities Market”, by Benn Steil, 2002.

Priorities on countries and regulatory issues for the short and medium term future (2 – 5 years) have thus been identified in terms of both political and economic parameters, with a focus on DG MARKT's key interests. Identifying certain countries or regulatory issues as the immediate top priority obviously does not mean devaluing other issues or countries.

### 3.1.1. US and Japan

Against this background, DG MARKT intends to deepen the dialogues it has with regulators in key developed and interdependent markets such as the US and Japan. The focus will continue to be on financial services and capital markets, and more particularly on accounting, insurance, banking and securities regulation, corporate governance and company law.

Regarding the **US**, regulators on both sides are convinced of the need to increase convergence and acceptance of functional equivalence in key areas such as accounting and audit standards, capital adequacy requirements for banks, and framework conditions for banking and other financial markets, notably financial conglomerates. Furthermore, in the re-insurance sector, solutions to remove collateral requirements for EU re-insurers doing business in the US should be found. The intention is to build on and deepen the EU-US Financial Markets Regulatory Dialogue further, to prudently widen its agenda, and to make it more long term. The informality of the dialogue and the current core participation should not be changed. When appropriate, additional institutions can be included on an ad-hoc basis.

As the move to global financial markets accelerates, the EU and **Japan** also intend to deepen their cooperation by enhancing the informal financial markets dialogue, covering such issues as accounting and auditing, banking, conglomerates, investment services and investment funds. This is very much in the EU's interest as the Japanese capital markets begin to strengthen and as their issuers seek capital from global markets. Secondly, because it is essential for effectively addressing common challenges and creating a global framework based on equivalent norms and international standards.

Intellectual property, and in particular the promotion of progress on certain key issues such as on patent law (with a view to reduce gaps between the EU and the US and Japanese approaches where possible, while gaining a better understanding of any differences in policy objectives) and on the enforcement of intellectual property rights, is another policy area with a potential for more regulatory dialogue. The US, Japan and the EU are strong knowledge-based economies and share common interests and problems in this field.

Also on public procurement, there is untapped potential which should be triggered through more intense regulatory dialogue. This would have to be done in a way consistent with the ongoing review of the WTO Government Procurement Agreement (GPA). Flanking measures to improve mutual access to tendering opportunities, including enhancing the use of electronic procurement on both sides, should also be elaborated, building on previous work.

In the field of architectural services, professional organisations on both sides of the Atlantic have shown a specific interest in the negotiation of a mutual recognition agreement (MRA) and are far advanced in their discussions towards this end. In this context, regulators on both sides should engage effectively, with a view to paving the



way for a binding mutual recognition agreement between authorities competent for the negotiation of international agreements.

Effective regulatory dialogue on these policy issues is particularly crucial in view of the relevance of these policies for a competitive business and investment climate and the economic importance of these markets for EU market players and other stakeholders. This should help to promote vibrant marketplaces, strengthen global growth, and offer consumers and investors greater choice at lower costs. These dialogues therefore also play a crucial role in the general context of strengthening the economic partnership with the US<sup>9</sup> and Japan.

Regulatory dialogues may be extended to other issues as appropriate. Likely candidates today seem services issues and issues related to corporate governance. The fight against money laundering and terrorist financing is also an area where companies require regulatory cooperation with our main economic partners.

### **3.1.2. China**

The EU's relations with China have seen a phenomenal increase in intensity over the past few years propelled by China's remarkable economic growth and regulatory reforms. Europe and China have a mutual interest to engage in dialogue when the regulatory parameters are set in the emerging markets of China. This also led DG MARKT to set up contacts on key regulatory issues with its counterparts. In 2005, DG MARKT, together with the Economic and Financial Affairs Directorate General, has had a first successful macro-economic and regulatory dialogue with China on financial issues. Several important areas for cooperation and regulatory dialogue have been identified (such as on financial services, intellectual property, and government procurement). DG MARKT intends to develop these exchanges further with the Chinese regulators to build up a regulatory dialogue on a range of key Internal Market issues.

The focus of 2005 will be on financial services and capital markets, intellectual property, including enforcement issues, and public procurement, addressing issues of mutual concern. Additionally, sharing experience in building internal market systems may be included. Such exchanges should help regulators in these markets to put in place regulatory frameworks which are sound and compatible with the EU marketplace, thereby attracting global business and enhancing competitiveness.

### **3.1.3. Other Countries**

Important contacts or dialogues exist also with regulators of other countries. For instance, Canada and Switzerland are close partners to the EU, including in relation to regulatory work, and contacts at regular level will continue over the next years and intensify where issues are identified as promising.

With countries like Russia and India DG MARKT will consider enhancing channels of communication. These may cover all the above mentioned policies or just some of them. As regulatory dialogues are evolving and the needs at stake often differ, the type of dialogue and the areas addressed may differ in each case.

---

<sup>9</sup> Cf. "A stronger EU-US Partnership and a more open market for the 21<sup>st</sup> century", COM (2005) 196 final, 18 May 2005.

## **3.2. EFFECTIVENESS**

To ensure regulatory dialogues being highly effective, DG MARKT's work will continue to be based on the following mutually supportive tools:

### **3.2.1. Communication and understanding**

Experience has shown that an essential starting point for any regulatory dialogue, once it has been established, is to compare regulatory and legislative approaches, which may have developed over many years, to see how far they differ, but also how far they are alike. In the past and still today a number of regulatory tensions have arisen because countries relied exclusively on their own regulation, even though standards of a third country provided for similar protection to their domestic rules. This arises to some extent as the result of a lack of communication and understanding of regulation in other countries. DG MARKT and its counterparts in a regulatory dialogue should thus communicate regularly what they are doing and how it is working. This will help to enhance mutual trust and understanding of each other's regulatory systems.

### **3.2.2. Regular consultation and transparency**

The creation of mutual understanding of existing rules should be the starting point. Regulators should, however, also inform and consult each other on forthcoming or proposed approaches (notably on objectives, scope, operation and expected impact) at an early stage with a view to minimising future regulatory discrepancies.

In line with the Commission's "Better Regulation" approach, DG MARKT will continue to apply open, transparent and evidence based policy making together with thorough consultation and impact assessments. If done seriously, this implies considering comments not only from industry and citizens but also from governments - including regulators from third countries. This openness is already usual practice in DG MARKT's policy formulation, the reason being that engaging the views of third country actors in the EU's deliberative process, notably on major structural changes, can produce better decisions and lend greater force and credibility to EU actions.

Any consultation of a third party, including a third country government, can, however, never pre-determine the final policy choices made, since these must be based on a range of considerations and must respect the EU's decision making process.

### **3.2.3. Promotion of convergence**

In order to be effective, dialogues must ideally lead to a process where both sides are looking to achieve the same basic goals or approaches, such as in the case of accountancy standards, and to produce a converging approach. To avoid misunderstandings: promotion of convergence does not go as far as harmonisation or approximation of rules and regulations within the European Union.

Work on convergence will continue to be important in areas such as financial services and markets, intellectual property and public procurement, to foster the creation of a level playing field and greater predictability. This will make market players more inclined to do business on different markets, as they can be sure to receive broadly the same treatment which will be beneficial for the general economic climate, both in the EU and elsewhere.

### **3.2.4. Recognition of equivalence**

Experience has shown that 100% convergence to the point of identical rules may not always be feasible or necessary, for instance when the respective regulations already reflect broadly equivalent approaches or pursue broadly similar goals. Convergence and equivalence are often linked insofar as a convergence process should at some stage lead to a situation where protection standards of different regulators are equivalent. Before forcing foreign service-providers or businesses to comply with the full set of local rules, regulators and other relevant bodies should ask themselves whether the other jurisdiction already meets, for example, equivalent or materially reciprocal protection standards to those achieved by local rules.

A focus of regulatory work should thus be on promoting broadly similar approaches (rather than identical ones) and broadly similar goals. An organized and cooperative co-existence of equivalent standards based on a common base will add to the promotion of open and competitive markets and bolster global industry.

Several EC Directives, such as on financial services<sup>10</sup> and intellectual property<sup>11</sup> already pursue this principle: they invite the Commission to assess whether certain third country standards are equivalent to EU standards or provide for material reciprocity. Different terms are used for what basically comes down to the same approach: regulator A acknowledges that what regulator B is doing is also sufficient for him because broadly the same goal is achieved or the same approach followed.

## **3.3. NEED FOR A BROAD PARTNERSHIP**

### **3.3.1. Transparency towards the outside**

DG MARKT attaches great importance to ensuring transparency and accountability in this work towards the outside world and this Working Paper reflects that. This includes informing Member States of its regulatory dialogues on a regular basis, as appropriate. It also keeps the European Parliament regularly informed. This is vital in order to build overall confidence in the process and to ensure a broad partnership which enhances the international regulatory climate within closely linked markets.

DG MARKT also informs market participants and other relevant stakeholders – both institutional and economic ones - regularly about the state of play of its discussions with relevant regulators from other countries, including its intentions and actions. It is equally receptive to appropriate feedback. When such stakeholders have concerns or face barriers, they should address them to DG MARKT or to the foreign regulator concerned, rather than waiting to be asked. All this helps to ensure from the very beginning that the right issues are being raised.

Such contacts should, however, not translate into formal consultations as this may put an essential element of a successful regulatory dialogue – its informality - at risk. A dialogue should involve “rolling input and rolling output” rather than formal set pieces.

---

<sup>10</sup> Cf. for instance Regulation (EC) No 1606/2002 19 July 2002 on the application of international accounting standards.

<sup>11</sup> Cf. for instance Article 11 of Directive 96/9/EC of 11 March 1996 on the legal protection of databases with respect to the *sui generis* right which requires “material reciprocity” between standards.

### **3.3.2. Other institutional dialogues**

A broad partnership also implies that DG MARKT's dialogues with relevant regulators in third countries are not and must not be exclusive. They are complementary to dialogues or discussions other regulators or legislative authorities have with their respective counterparts on regulatory issues of concern to the Internal Market. For instance, within the EU-US relationship, other important and fruitful dialogues exist, such as the Transatlantic Legislators' Dialogue, the inter-parliamentary dialogue between the US Congress and the European Parliament, and the dialogue between the EU supervisory networks for financial markets (such as the Committee of European Securities Regulators - CESR) and the US Securities and Exchange Commission (SEC), which also involves EU Member States.

### **3.3.3. Civil society dialogues and roundtables**

Business and other civil society dialogues and round tables, such as the Transatlantic Business Dialogue<sup>12</sup>, the Transatlantic Consumer Dialogue<sup>13</sup> or the EU-Japan Business Dialogue Round Table<sup>14</sup> are further important fora, bringing together high level private sector experts from both sides (EU-US, EU-Japan) on Internal Market issues of mutual concern (such as on financial services and capital markets, accounting rules, e-commerce, or IP protection). These fora help to advance the regulatory and economic partnership with the EU's major partners through policy recommendations and other exchanges with policy makers.

It is important that these fora and stakeholders (notably industry, businesses and end-users) in general, in Europe and elsewhere, continue playing their part in international regulatory work, as it is directly in their interest to engage in forward looking discussions on what should be at the forefront of such work and in advancing economic and regulatory partnerships with our trading partners.

### **3.3.4. Key academic fora**

In addition high level academic fora bringing together representatives from the academic world, regulators and stakeholders, addressing regulatory challenges impacting on different markets, can play an intellectually stimulating role in enhancing international regulatory issues of interest to the EU and other regulators. The Fordham Annual Conferences on international intellectual property law and policy and the Transatlantic Corporate Governance Dialogue<sup>15</sup> on corporate governance are good examples for fruitful and thought-provoking discussions on transatlantic regulatory issues.

---

<sup>12</sup> The Transatlantic Business Dialogue (TABD), launched in 1995, brings together leading EU and US companies with a view to boosting transatlantic trade and investment.

<sup>13</sup> The Transatlantic Consumer Dialogue (TACD), launched in 1998, is a forum of EU and US consumer organisations to promote the consumer interest in EU and US policy making.

<sup>14</sup> The EU-Japan Business Dialogue Round Table, launched in 1995, brings together leading EU and Japanese companies to enhance EU-Japanese industrial relations.

<sup>15</sup> The Transatlantic Corporate Governance Dialogue, launched in 2004 with the support of DG MARKT, brings together academics, regulators, corporate leaders, and other constituencies to address corporate governance issues that are at the forefront of EU and US policymaking.

## 4. CONCLUSIONS

In a globalising world, regulatory dialogues with third country regulators are one of the key elements of the external side of the Lisbon process and the Commission's "Better Regulation" approach. The Internal Market will only deliver fully on its key priorities if internal work is not partly unravelled by regulatory frictions or inefficiencies in relation to regulatory systems on closely linked markets. This implies the constant need for domestic regulators, both in the EU and in other relevant markets, to develop an outward-looking reflex when engaging in domestic rule-making. This will help to avoid economic or regulatory impediments, smooth market functioning and foster convergence and equivalence regarding regulatory issues of mutual concern.

Against this background, DG MARKT is developing a regulatory agenda with several regulators of our main trading partners. The dialogues with the US, Japan and China on Internal Market issues referred to in this Working Paper are examples for a pragmatic and evolutionary approach.

The need for co-operation may change over time, country-wise and policy-wise. DG MARKT continuously monitors its priorities on partner countries and policy issues. In a fast changing global economy, with new, dynamic players emerging, the interaction between the Internal Market and the outside world is constantly increasing. This makes robust and quasi-permanent dialogue indispensable.

### Feedback

As regulatory dialogues are a dynamic instrument to assist policy making and to arrive at better regulation, the services of DG MARKT would be interested in receiving feedback from interested parties, notably on the following issues:

- What are the policy areas where more regulatory dialogues would be appropriate in your view, and why?
- Which countries, beyond those identified in this paper, would in your view qualify for regulatory dialogue, and on which policy area?
- The Working Paper identifies a number of methodological issues (promotion of convergence, recognition of equivalence, etc.). Do you have specific views on the methodology the Commission is developing in this respect?
- Any other comments on this Working Paper or suggestions for further editions?

**Comments should be sent to the following email address: Markt-B4@cec.eu.int.**