

T.a.v. Dr. A.H.E.M. Wellink  
Chairman, the Basel Committee on Banking Supervision  
President, De Nederlandsche Bank  
Westeinde 1  
1017 ZN AMSTERDAM

Amsterdam, 6 March 2009

Dear Dr. Wellink,

As we learned from the Financial Times, the Bank for International Settlements (BIS) on 10<sup>th</sup> January 2009 invited US and European banking executives for a "behind-the-scenes meeting with central bankers and regulators to discuss the post-crisis regulatory framework". We would like to use the occasion of this letter to express our deep concern about the one-sided involvement of the financial industry within the Basel framework. We agree with Nobel Prize winner Joseph Stiglitz, that "much of the inadequacy of current regulations and regulatory structures is the result of financial markets' political influence."<sup>1</sup> We therefore think that consultations only with the banks appear as if the hands-off regulatory approach prevailed, that has caused much of the current problems.

We would also bring to your attention, that Civil Society organisations have been warning about many features of the financial system that has collapsed, such as the excess of leverage, the shortcomings of Basel II, the opaque character of OTC-derivatives or the wrong incentive structures of short-term, volume-oriented bonuses. Some of those organisations have already produced well founded and detailed sets of measures to counter the crisis and list the lessons that have to be learned.<sup>2</sup> Any balanced approach should also listen to those voices. The Commission of the President of the General Assembly on Reforms of the International Financial and Monetary System for example has organised an online consultation to gather civil society input into their work.<sup>3</sup>

We would kindly ask you the following:

- For the sake of transparency and openness, could the BIS or the Basel Committee please publish on their website the presentations which the bank representatives made at the meeting on 10<sup>th</sup> of January 2009,
- Please inform us about the work plan and proposals of the Basel Committee on Banking Supervision in the preparation of the G-20 meeting and beyond. We have seen the information, proposals and consultation on the BIS/BCBS website but we would like to have more information e.g. on the link with the G-20 process.

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<sup>1</sup> Joseph Stiglitz, Professor, Columbia University, Testimony to House Financial Services Committee, October 21, 2008 at [http://www.house.gov/apps/list/hearing/financialsvcs\\_dem/stiglitz102108.pdf](http://www.house.gov/apps/list/hearing/financialsvcs_dem/stiglitz102108.pdf)

<sup>2</sup> See for example BankTrack:

[www.banktrack.org/download/bank\\_to\\_the\\_future/escorial\\_declaration\\_final.pdf](http://www.banktrack.org/download/bank_to_the_future/escorial_declaration_final.pdf);  
or [attac: www.networkideas.org/featart/oct2008/ATTAC.pdf](http://www.networkideas.org/featart/oct2008/ATTAC.pdf)

<sup>3</sup> <http://www.un-ngls.org/cfr/application.php>

- Please explain how the Basel Committee on Banking Supervision plans to engage with civil society to have a balanced view on the post-crisis regulatory framework.

We would appreciate if you could let the signatories of this letter know before the G-20 meeting, your responses to the requests made above. The persons signing this letter are members of civil society organisations active on the financial sector, who are concerned about the lack of transparency in the current financial reform discussions and interested to provide you and the Basel Committee with an opportunity of interaction with civil society. We will transmit your response to the many organisations around the world who share our concerns.

Please do not hesitate to contact us for any more information you would wish to receive.

Yours sincerely,

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