



May 28, 2013

**His Excellency Vladimir Putin**

Chair, G20 Meeting  
President of the Russian Federation  
Moscow, Russian Federation

Your Excellency:

The APEC Business Advisory Council (ABAC) is the formal private sector advisory group of the Asia-Pacific Economic Cooperation (APEC) forum. Representing the business communities of all 21 APEC member economies, ABAC is tasked with ensuring the success of APEC by providing private sector insights on how best to achieve APEC's goals, both through APEC's own initiatives, and in dialogue with other international organizations.

ABAC supports APEC's goal of accelerating trade and investment liberalization and promoting regional economic integration, as well as efforts to promote capacity building to develop financial markets and encourage greater regulatory coherence.

ABAC understands the importance of sound financial regulation in maintaining sustainable growth and stable financial systems. We note, however, that given the high-level of connectivity among today's markets, the extraterritorial impact of financial regulations can spread quickly, deeply and extensively across multiple financial markets.

Although ABAC sent a letter highlighting the unintended consequences of new financial regulations to relevant authorities last year, we have become increasingly concerned about the serious extraterritorial impact of new financial regulations being introduced in certain jurisdictions on market activities in the rest of the world. We believe this to be particularly the case in the Asia-Pacific region, where the impact of such regulations on investment may hinder the prospects of its further development as a much needed engine of growth for the global economy at this critical point in time.

Of particular concern is the extraterritorial application of the US Dodd-Frank Act and the EU Financial Transaction Tax. Considering its potential negative impact on other markets, we urge relevant authorities to collaborate with each other in addressing the cross-border and extraterritorial effects of these financial regulations.

Given the current unstable and uncertain economic circumstances, ABAC highly appreciates further careful consideration and review by the G20 of new financial regulations with a view to addressing their negative effects on trade finance, which is a major engine of economic growth in the Asia-Pacific and other regions.

Yours sincerely,



**Wishnu Wardhana**  
ABAC Chair 2013



**Cher Wang**  
Chair, ABAC Finance & Economics  
Working Group