

Regulatory and Administrative Environment

The Regulatory and Administrative Environment (RAE) Group *paper*, finalised by the Group Chairman John Cooke on 30 May 2012, examines the overall RAE framework the context of the MIFC and identifies key determining factors for the effective development of financial markets in Moscow.

Given the broad potential range of its work, the RAE Group fully relies on – and now needs – further guidance from Moscow-based participants in the MIFC initiative on defining the contribution that they would like the London-based RAE Group to make – it was recognised from the outset that the work of the RAE Group would need to reflect (and follow upon) the work done in the dedicated specialist Groups.

In his *paper* the RAE Group Chairman has identified **five areas of RAE subject-matter** and raises questions on which, it is to be hoped, the Moscow-based participants will now feel encouraged to offer views. Taking **(1) the overall MIFC context**, the *paper* seeks views on the range of the RAE Group's work and on the choices between a geographical (all-Russia), or an institutional focus. Going on to **(2) key factors & conditions**, the *paper* asks for comments on the preferred degree of comprehensiveness of the Group's work, and whether certain factor conditions should be prioritised for study. Turning to **(3) the regulatory and supervisory system**, the *paper* asks for guidance as to whether it would be preferable for the Group to adopt a Russian domestic focus or whether, alternatively, it should look into relationships between Russia and international standard-setting bodies. A similar question is raised at **(4) international trade requirements (transparency and non-discrimination)**, where the *paper* asks how far the Group should consider the obligations arising from Russian accession to the WTO or other international trade requirements and practices. Further core questions are identified at **(5) identified regulatory issues**, where the *paper* discusses the RAE Group's overall approach and then raises detailed questions as to how far the Group should consider the practicability and coherence of the regulatory approach, or its level of ambition, or matters of regulatory scope, balance and enforceability, with specific attention to such matters as legislative techniques, legal issues arising in implementation, or administrative matters.

We look forward to receiving your guidance on the above when we meet in Moscow so that we can identify areas of work which both sides would see as valuable. The potential subject-matter is extensive; and a disciplined approach, with regular guidance from clearly designated Russian counterparts on the relevant MIFC Project Groups, will maximise the productivity of the Group's work.

John Cooke,
Chairman of the LOTIS Committee
Chairman of the RAE Stream