



Re-Define Press Release on the G-20 Finance Ministers Meeting, 15th Oct 17:30 CET

Please find below Re-Define's comments on the **G-20 finance ministers** meeting. All comments are attributable to **Sony Kapoor**, Managing Director of **Re-Define**, an Economic Think Tank.

"The dance of death between banks and sovereigns must be stopped by providing additional support to troubled EU sovereigns such as Italy and by implementing a strong crisis resolution framework for banks."

"The world is now sitting at the edge of another Lehman like cliff, only worse." "A number of governments and central banks have already exhausted their much of their ammunition to fight another crisis."

"**Re-Define's** proposal for the EFSF to provide partial bond guarantees being discussed by EU policy makers is useful but it is not the silver bullet that its being made out to be."

"At this point, it is hard to see how the panic in the Euro area could be stemmed without more ECB support."

"The primary way to control the Euro crisis is through killing any doubts about the solvency of Euro area member states. Bank recapitalization is important, but only a secondary step."

"I cannot see how the G-20, the IMF and the United States could possibly deliver a stronger message to the Eurozone to get its act together." "It remains to be seen if it can."

"The failure to agree to beef up the IMF's resources will need to be revisited sooner rather than later as this crisis will still be with us after the G-20."

On the endorsement of the global legal identifier system for financial counter parties

"The endorsement of a global legal identifier system for counterparties to financial counter parties is a major victory for transparency and can help tackle both risks to financial stability and tax evasion."

On position limits for commodity derivatives, strengthening the FSB and agreeing to the G-SIFI surcharge

"The failure to agree to mandatory position limits is a blow to the sound functioning of commodity markets."

"Commodity derivatives are important not because they pose financial risks, but because they pose real systemic risk to the smooth operation of real markets in things people eat and drink."

"The failure to agree to mandatory position limits may come back to haunt us as food and fuel markets continue to exhibit excessive volatility that imposes grave costs especially on the poor and the vulnerable."

"The agreement to institutionalize and strengthen the FSB was long overdue given the importance of its work." "The FSB's governance and transparency also need to be beefed up to suit an institution of such importance."

"As the banking crisis had dragged on, it seems that even newly agreed G-SIFI capital surcharge may not be sufficient."

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