

# How can the Australasian experience enlighten thinking about banking in the European Union?

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# Key issues

- Branches, subsidiaries and admission to the market
- Disclosure
- Talking about regulation

# Constraints on market entry

- No automatic entitlement – in contrast with the single passport
- Acceptance of retail deposits generally requires incorporation of a subsidiary
- But how effectively can cross-border operations be ring-fenced?



The single passport means open entry for banks once authorised to operate in the EU

# Disclosure and deposit insurance

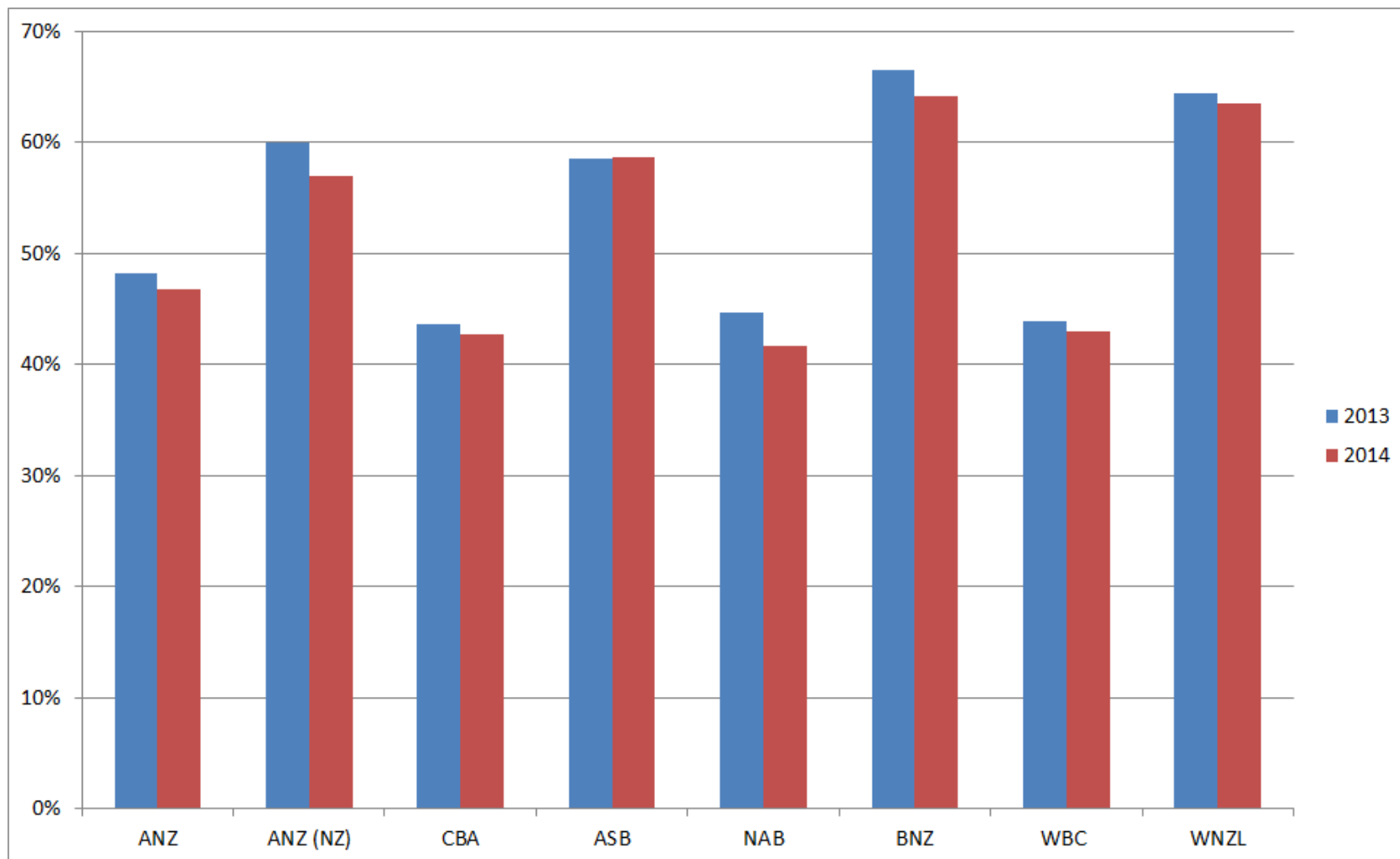
- Australia has Pillar 3 disclosures
- New Zealand has disclosure regime (currently quarterly)

But the attitudes to deposit insurance differ

# Regulation

- Single country regimes in both Australia and New Zealand
- Australian regulatory framework involves significant consultation at the individual bank level

# Risk weighted assets relative to total assets – New Zealand banks and their Australian parents



# Other issues

- Bank resolution
- Similarities and differences in legal frameworks