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**MEDIA RELEASE**

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## **Secret talks to prevent governments from regulating banks foreshadow Trans-Pacific trade agreement (TPP)**

“WikiLeaks has revealed yet another set of secret talks between Australia, the US, Japan, the EU and 19 other countries on proposals to radically deregulate financial services. At a time when many governments are still attempting to re-regulate the financial sector after the disaster of the Global Financial Crisis, US proposals in this document would freeze current levels of regulation and prevent governments from protecting consumers and responding to future financial crises,” Dr Patricia Ranald, Convenor of the Australian Fair Trade and Investment Network (AFTINET) said today.

“The leaked document is part of secret negotiations on a broader Trade in Services Agreement (TISA), which are take taking place in Geneva with no publication of draft documents. These talks are a “coalition of the willing” of selected governments outside the World Trade (WTO) organisation framework, so they do not have to apply WTO practice about publication of draft documents,” explained Dr Ranald.

“The main aim is to open up national economies to greater foreign investment in banking and financial systems, with no limitations on levels of foreign investment or numbers of investors, and minimal levels of national regulation. If Australia wants to retain its ‘four pillars’ policy, which prevents Australian banks from foreign takeover, these would have to be listed as “nonconforming measures” or exceptions to the agreement. As with all such exceptions, there is pressure to roll them back over time,” said Dr Ranald.

“The draft also refers to dispute settlement, and it is not clear whether this is government-to-government-dispute-settlement, or the ability of foreign investors to sue governments in an international tribunal if a law or policy harms their investment. We know that international banks have been pushing for the right of foreign investors to sue governments to be included in the agreement. The Philip Morris tobacco company is currently using this right in an obscure Hong Kong investment agreement to sue the Australian government over plain packaging legislation,” said Dr Ranald.

“If investor rights to sue are included in the final agreement, this would mean that a foreign bank investing in Australia could sue the Australian government if it introduced the kind of consumer protection legislation about financial advice which is currently being debated in Australia. This would undermine our democracy and sovereignty,” said Dr Ranald.

“We know that banks are pushing governments to apply the same or even more extreme financial deregulation in the TPP, with investor rights to sue. The Australian government has said it is prepared to agree to investor rights to sue in the TPP. We call upon the government to oppose extreme financial deregulation and investor rights to sue in TISA, the TPP and in all trade agreements and to end the secrecy by publishing the text of agreements before Cabinet makes the decision to sign them,” concluded Dr Ranald.

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