



June 7, 2013

Xi Jinping
President
People's Republic of China
Beijing, China

Dear President Xi,

The **ENGAGE CHINA** coalition congratulates you on your recent elevation to President of the People's Republic of China and extends our very best wishes for your success. The coalition also thanks you for your continuing leadership to strengthen the relationship between the United States and China. **ENGAGE CHINA** is a coalition of twelve financial services trade associations united in our view that active engagement and cooperation between the United States and China remains the most constructive means of ensuring that the citizens of both nations mutually benefit from the growing bilateral economic relationship.

The U.S.-China economic relationship is one of the most important bilateral relationships in the world. How this critical relationship is managed will determine in large part the growth and vitality of the global economy in the 21st century. For this reason, the coalition wants to be of assistance as China continues to grow and develop. In particular – and as the World Bank's *China 2030* report concluded – we are strongly of the view that continued reform and modernization of China's financial sector is critical to China achieving its economic goals of maintaining high rates of growth and job creation, building a more services-based, consumer-driven economy, reducing poverty, and ensuring a more equitable distribution of opportunity and prosperity.

The U.S. financial services industry has been very encouraged by recent statements by China's senior leadership regarding its commitment to continued reform and modernization of China's financial system. We look forward to working with you and your colleagues to ensure further progress on issues such as:

- The critical importance of open commercial banking, securities, futures, insurance, pension, and asset management markets to promoting the services- and consumption-led economic growth that China's leaders seek;
- The clear benefits to China of increased market access for foreign financial services firms – including allowing full ownership of banking, securities, insurance, and other financial companies – and the introduction of world-class expertise, technology, and best practices;

- Furthering China's commitments to non-discriminatory national treatment with regard to licensing, corporate form, and permitted products and services – for example, China might consider issuing reports in advance of the annual S&ED meetings regarding applications and approvals of domestic and foreign-invested insurance providers for concurrent branch licensing;
- Non-discriminatory national treatment with regard to regulation and supervision;
- Regulatory and procedural transparency; and,
- Further increasing institutional investors' participation in China's capital markets by expanding the Qualified Foreign Institutional Investor (QFII) and Qualified Domestic Institutional Investor (QDII) programs.

By providing financial products and services that help China's citizens and businesses invest, insure against risk, provide for retirement, raise standards of living, and consume at higher levels, foreign financial institutions can help China achieve its goal of an economy that is less dependent on exports, more services-based and consumption-driven and, therefore, more stable and harmonious.

Again, thank you for your continued work to strengthen the relationship between our two nations. The **ENGAGE CHINA** coalition looks forward to working with you to ensure that China achieves its goal of building a more diversified and stable economy based on open markets.

Respectfully,

The Engage China Coalition:

American Bankers Association
American Council of Life Insurers
American Insurance Association
Council of Insurance Agents and Brokers
BAFT-IFSA
Insured Retirement Institute
Investment Company Institute
Property Casualty Insurers Association of America
The Financial Services Forum
The Financial Services Roundtable
The Futures Industry Association
The Securities Industry and Financial Markets Association