

Britain And Germany In Secret Pact To Defy EU Climate Laws

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Britain is negotiating a secret deal to help to shield Germany's luxury car industry from new European climate rules in return for support for UK bankers.

Downing Street officials and their counterparts in Berlin held discussions after Germany sought help to delay the introduction of caps on carbon dioxide emissions that could harm BMW, Mercedes-Benz and Audi.

In return, Britain is seeking help to protect the banking sector, which is lobbying to reduce the impact of regulations from Brussels. Suggested measures include the disclosure of the tax that banks pay in every country and forthcoming regulations proposed by the European Commission for the hedge fund industry.

Britain is also seeking German assistance to protect taxpayers from having to contribute to a fund to help ailing eurozone banks. Senior Liberal Democrat sources claimed that the proposed deal also included a request for help with Britain's attempt to overturn an EU cap on bank bonuses, which would limit them to 200 per cent of salary.

[The Times, 12 October 2013](#)