

**Opening remarks to the inaugural event of the  
EU-Asia Corporate Governance Dialogue**

*Comparing Regulatory Reforms and Market Practices*

**Friday, July 6, 2012**

**around 10 am**

**Financial Services Agency, Tokyo**

Professor Kanda,  
Chairman Holmquist,  
Ladies and gentlemen,

It is my great pleasure and an honor to be invited to address the inaugural event of the EU-Asia Corporate Governance Dialogue.

I would like to congratulate the University of Tokyo, the European Corporate Governance Institute and the other institutions and sponsors active in the Dialogue.

It is for the EU the second dialogue dedicated to corporate governance. The EU-US Dialogue was set up less than ten years ago, bringing together in annual conferences leading academics from law, economics and finance, regulators, judges, law makers, corporate leaders, investors and other corporate constituencies.

It is naturally appropriate to develop the same level of dialogue between Asia and the EU. We are increasingly important partners, bilaterally and globally, and this new level of interdependence certainly makes dialogue and mutual understanding more relevant and necessary than ever.

We, Asia and Europe, are increasingly important partners bilaterally. Capital flows between the two continents and we are making efforts to strengthen trade and investment through numerous investment and trade negotiations.

Regional interdependence is another challenge Asia and Europe are sharing. The EU offers a variety of corporate governance traditions complemented at the EU level as companies in the EU were increasingly taking advantage of the EU single market.

We are also important partners on the global scene. We have seen following the Lehmann shock discussion on corporate governance, especially of financial institutions, being raised in the G20 and in the Financial Stability Board.

As global markets keep playing their role for growth and prosperity globally, shareholders, citizens and public authorities around the world will continue to demand from increasingly globalized corporations the same high standards of governance. This Dialogue will contribute to the debate.

But companies are not the only actors whose governance has come to the limelight recently. Please allow me, Professor Kanda, Chairman Holmquist, to say a few words about the

situation in the EU and more specifically about the decisions adopted at the European Council last week.

Politicians in the EU are determined to overcome the crisis it is currently going through. European integration is much more than an economic project: it has brought Europe 70 years of peace and shared prosperity. Nobody should have any doubt that we will do what we have to do to protect this heritage. But European countries are old countries with long histories and pooling more competence together requires more time than markets would sometime wish.

A new step has been accomplished last week by the European Council of Heads of State and Government with a serious attempt to break the vicious circle between banks and sovereign debts. The EFSF, then the ESM, will be allowed to provide banks directly with funds, without going through national budgets (which was naturally increasing the national debt ratio) while the ECB will be granted some bank supervision powers.

It is only one part of a new system of governance of the EU that is progressively emerging and that will encompass some sort of fiscal union and banking union.

I thank you for your attention and I wish a long life to the Asia-EU Corporate Governance Dialogue !