



PRESS RELEASE

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Japan promotes initiatives to strengthen competitiveness of its financial markets to overseas investors

(London, UK – Tokyo, Japan) Top representatives from the entire Japanese securities industry were gathered at an event in London this week to promote the Japanese market as a whole to overseas investors. Japan is in the process of introducing a series of specific policy measures which are intended to strengthen the competitiveness of its financial and capital markets and so make them more attractive to foreign investors. These initiatives were outlined to an audience of European capital market participants at the Japan Securities Summit co-organised by the International Capital Market Association (ICMA) and the Japan Securities Dealers Association (JSDA).

A number of reform and deregulation measures have already been implemented in the Japanese financial and capital markets since the Japanese version of Big Bang financial system reforms that started in the late 1990s. The Financial Instruments and Exchange Law, in force from the end of September last year, has established a new legislative framework for the market and provides a more comprehensive regulatory framework to ensure investor protection and, at the same time, more flexible regulation to improve market efficiency. Newer measures currently being promoted jointly by the Japanese government and the industry were presented at the summit including those contained in the Japanese Financial Services Agency's Plan for Strengthening the Competitiveness of Japan's Financial and Capital Markets published in December 2007. Among the specific initiatives in the report that were discussed at the summit are diversification of products tradable at exchanges and revamping of the firewall regulations among banking, securities, and insurance businesses.

Speaking at the summit Mr Toshio Ando, Chairman of the JSDA said: "Competition among financial and capital markets is intensifying on a global scale. Therefore, it is a pressing issue for the Japanese market to meet the demands of domestic and foreign users and thereby raise its attractiveness as a market as well as boosting its international competitiveness. Japan remains an important financial market with the largest pool of household financial assets in the world. We believe joint efforts by the government and industries, as at this event, promote the Japanese market overseas as well as dispel the misconceptions that foreign investors may have about the market."

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Sessions at the summit covered wide ranging issues including the macro-economic situation, market overview, regulatory policies, stock exchanges' strategies, accounting standards and the legal framework for investment. The audience also heard briefings from, amongst others, a senior representative of the Japanese Ministry of Finance on the Japanese Government's debt management policy and plans to diversify its investor base and from the CEO of the Tokyo Stock Exchange Group on their future strategies and business models. The speakers at the conference agreed that, while global market conditions are not favourable, measures taken by the authorities and the industry will give a momentum to future growth in Japan's financial and capital markets.

Commenting on the event Rene Karsenti, Executive President of ICMA said: "These timely initiatives by the Japanese government to deliver market structures and practices more closely aligned to the needs of a globalised market and investors are welcomed by our members and by the international market as a whole. ICMA is delighted to have been associated with the promotion of these new developments to a wide international audience at such a prestigious and well attended event".

Presentations from the Japan Securities Summit can be found on ICMA's website at www.icmagroup.org

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Notes for editors

International Capital Market Association (ICMA)

The International Capital Market Association (ICMA) is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 49 countries across the globe, including all of the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market. www.icmagroup.org

Japan Securities Dealers Association (JSDA)

JSDA is a hybrid association functioning both as a self-regulatory organisation (SRO) and as a trade association in the Japanese securities market. Today JSDA comprises more than 500 members consisting of securities firms and other financial institutions operating securities business in Japan. As a full-fledged SRO, JSDA extensively regulates market intermediaries. Its self-regulatory functions cover rule-making, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediation. As a trade association, JSDA provides the industry's voice to the government and other related parties, conducts and promotes investor education to expand the base of knowledgeable



investors, and implements various researches and studies to generate policy recommendations for further activating the market. www.jsda.or.jp/html/eigo/index.html

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