Securities and Exchange Surveillance Commission’s 25th Anniversary International Conference

Market Surveillance to Support Sustainable Economic Growth
~ New Stage based on Quarter-Century Achievement ~

December 5th, 2017

Preliminary Draft Agenda

Venue: Mita International Conference Center, Tokyo

Registration (9:10 –)

I. Welcome and Keynote Speech (9:40 – 10:00)
   Mr. Mitsuhiro Hasegawa, Chairman, Securities and Exchange Surveillance Commission, Japan

II. Expected Roles of Market Surveillance Authorities to Improve “Flow of Funds” Supporting Sustainable Economic Growth (10:00 – 11:30)
   A number of initiatives have been initiated in Japan to enhance the movement “from saving to asset formulation” with the aim to providing funds to support economic growth amid unfavorable economic, social, and geopolitical environments. Yet, approximately a half of financial assets held by households in Japan still remain in bank saving accounts, and the aimed fund flow towards asset formulation by households and investment for growth by corporations have not been fully achieved.

   In this session, recent relevant initiatives in Japan such as investor education, tax reduction for increasing potential investors, improvement in corporate governance, and establishment of customer-oriented business conduct (fiduciary duty) will be introduced, and challenges and possible improvements in this area as well as views on truly essential policies will be shared and discussed among speakers. The discussion will lead to expected roles of market surveillance authorities to help and enhance this dynamism and to find or clarify challenges for the authorities to take those roles.

Moderator: Mr. Naoyuki Yoshino, Dean of the Asian Development Bank Institute, Professor Emeritus at Keio University, Japan, Chief Advisor of the Financial Services Agency’s Financial Research Center

Panelist: Mr. Satoshi Nojiri, Head of Fidelity Investor Education Institute
III. Keynote Speech (12:50 – 13:10)
Mr. Takafumi Sato, President, Japan Exchange Regulation

IV. Corporate Governance of Globally-Active Enterprises - Challenges and Good Practices (13:10 – 14:40)

While global merger and acquisition cases are increasing in Japan to extend their business to overseas including emerging markets, a greater number of cases are being identified where headquarters in Japan fail to sufficiently monitor and control their subsidiaries in other countries. A window dressing case by an acquired foreign subsidiary which leads to accounting fraud by its parent company in Japan has been observed recently.

Strengthened group governance and enhanced transparency of an entire corporate group will be more important for Japanese enterprises to avoid or mitigate such issues. The group governance and group-level transparency will be further essential, given increasing investments taking into account environment, social and governance factors in global markets. Group-level governance and management will also enhance efficient allocation of limited resources which strengthen efficiency and competitiveness of the corporation.

Challenges and good practices regarding corporate governance by corporations extending their business globally will be shared in this session, and speakers will discuss from respective perspectives what are main issues for internationally active Japanese companies in the corporate governance area, and what they and other stakeholders should do to address them.

Moderator: Mr. Masaaki Tanaka, Senior Global Advisor of PwC International, Councilor of Financial Services Agency, Japan

Panelists: Mr. Tadaaki Sugiyama, Executive Officer, Kao Corporation
Mr. Atsushi Saito, Chairman, KKR Japan
Mr. Takao Kamiya, Ernst & Young ShinNihon LLC
Mr. George Olcott, Board Member of Hitachi Chemical, Denso Corporation, and Dai-ichi Life Insurance Company, Guest Professor, Faculty of Commerce, Keio University

Mr. Jamie Allen, Founding Secretary General, Asian Corporate Governance Association

Coffee/Tea Break (14:40 – 15:00)

V. Market Surveillance in the Era of Technology Development - Towards Establishing RegTech Ecosystem (15:00 – 16:30)

Development in financial service technologies, so-called FinTech, is growing faster and faster. Efficiency improvement in existing businesses and emerging of new innovative services and financial service providers resulting from such development will help enhance financial markets, extend potential investors, and fulfill the needs which have not been met previously. At the same time, the development casts challenges to traditional financial institutions in terms of their sustainable business models and their presence in the markets. Market surveillance authorities are also required to address issues and risks emerging from new business and types of transaction which may go beyond regulatory capacity or remit.

Speakers will present a changing landscape of financial markets due to technology development and their views on the possible future. Relevant challenges and risks will be identified, and possible/actual initiatives to address them including the establishment of a collaborative regulatory environment involving different stakeholders will be shared and discussed.

Moderator: Mr. Naoyuki Iwashita, Professor, Kyoto University School of Government, former Head of FinTech Center, Bank of Japan

Panelists: Mr. Motohiko Kaizuka, IBM Japan, Ltd.
Mr. Hiroyuki Matsuzaki, Standing Governor, Japan Exchange Regulation
Mr. Tokio Morita, Vice Commissioner for Policy Coordination, Securities and Exchange Surveillance Commission
Mr. Sopnendu Mohanty, Chief Fintech Officer, Monetary Authority of Singapore

VI. Keynote Speech (16:30 – 16:50)

Mr. Ashley Alder, Chief Executive Officer, Securities and Futures Commission, Hong Kong, Chair of the IOSCO (International Organization of Securities Commissions) Board

VII. Closing Remarks (16:50 – 17:00)

Mr. Yasushi Hamada, Commissioner, Securities and Exchange Surveillance Commission, Japan
Dinner Reception (18:00–20:00) hosted by Japan Securities Dealers Association
[Invitation Only]