



Japan Securities Dealers Association Summit 2016

SIFMA Conference Center

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Opening Remarks

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President and CEO, SIFMA

Good afternoon. I'm Ken Bentsen, president and CEO of SIFMA. Thank you for being here with us today.

On behalf of SIFMA and our Board of Directors, I would like to thank the Japan Securities Dealers Association for developing this event. I would like to take this opportunity to give special thanks to Ishikura-san from JSDA. He has been a kind and gracious host whenever I, or members of my staff, have traveled to Japan. I thank him for this friendship. I would extend the same thanks and welcome to Manabu Morimoto, the JSDA vice chair. I would also like to welcome Jonathan Kindred, the President and CEO of Morgan Stanley Japan Holdings, who is the current chair of the Japan Financial Markets Council, or JFMC, with whom SIFMA and our sister trades under the Global Financial Markets Association have a strong relationship. Likewise, I'd like to welcome Paul Hunter, Secretary General of the International Bankers Association of Japan and the head of secretariat at the JFMC. Both of these gentlemen will be on the program later today. I also wish to recognize two of my board members, Keiko Tashiro of Daiwa and David Findlay of Nomura.

SIFMA has partnered with the JSDA on a variety of issues going back to the early 1980s and we both have hosted a number of events in Tokyo and the U.S. in that time. Indeed, this is the third time we have partnered with the JSDA on hosting this important Summit. And, SIFMA's global affiliate the GFMA, of which I am CEO, is holding its Board meeting in Tokyo later this month. I think it's important to note that tomorrow marks the fifth anniversary of the 2011 Tohoku earthquake, the most powerful earthquake ever recorded to have hit Japan and the fourth most powerful earthquake in the world since modern record-keeping began in 1900. We have deep admiration for the strength and resiliency shown by the Japanese people in the face of that awful tragedy.

Throughout today's program, we will hear from experts who will help us better understand the Japanese economy and securities market, and how they are linked to, and impact, the global financial markets. I would like to welcome Kazutoshi Inano, Chairman of the Japan Securities Dealers Association, and Ambassador Reiichiro



Takahashi of the Consulate General of Japan in New York as we kick off the program. We are honored to have Nobuchika Mori, Commissioner of the Financial Services Agency, Japan, as our keynote speaker.

I want to make a special mention of the thoughtfulness Mori-san has brought to policy discussions among global financial regulators. He is making efforts to refocus the need to provide a balance between the need for stability and to promote economic growth. It's a conversation that is long overdue.

Today, the U.S. enjoys a strong ongoing political and trade relationship with Japan. From a markets perspective, two way portfolio transactions in securities between the U.S. and Japan totaled \$1.8 trillion in 2015. In 2015 Japanese investors were net sellers of \$97.0 billion of US Treasury bonds and notes. That same year, U.S. investors sold a net total of \$2.4 billion of Japanese stocks. At the end of 2014, which is the most recent data available, U.S. holdings of Japanese government bonds totaled \$61 billion, 92% of which was long term. Japan is the second-largest holder of U.S. Treasuries, holding \$1.1 trillion. Clearly we are important investors in one another's countries. And Japan and the United States are both signatories of the recently concluded Transpacific Partnership. Finally, I hope there is scope for the two jurisdictions to learn lessons from one another's experience with financial reform over recent years. The longstanding economic and strategic relationship between our two countries remains essential to long term global stability and prosperity.

SIFMA and JSDA have strong ties as well. SIFMA has worked with the JSDA on cross border regulations, the financial transactions tax, and legal entity identifiers. We hope through this conference that SIFMA and JSDA will not only strengthen their relationship, but create the foundation for continued cooperation on other issues of mutual interest and concern.

We appreciate the support of our Summit supporter, the Japan Exchange Group. On behalf of SIFMA and the JSDA, I'd like to extend a warm welcome to our speakers, as well as to all of you. And now I would like to introduce you to Kazutoshi Inano, Chairman of the Japan Securities Dealers Association.