



Japan Securities Summit 2018

SIFMA Conference Center

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Welcome Remarks

As prepared for delivery

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Good afternoon. I'm Ken Bentsen, president and CEO at SIFMA. It is my pleasure to welcome you all to the fourth Japan Securities Summit.

On behalf of SIFMA, I would like to thank the Japan Securities Dealers Association for their close partnership on this event, and on promoting deeper cross-border investment between the U.S. and Japan, more generally. SIFMA has benefitted from a strong working relationship with the JSDA on a variety of issues going back to the early 1980s. In that time, we have had very fruitful collaboration on issues of mutual interest and concern, ranging from cross-border taxation issues and global financial market reform to sustainable finance. We have developed a strong foundation for greater collaboration in the future, with a shared goal of improving the financial sector's contributions to sustainable growth.

Today, the U.S. and Japan enjoy a strong ongoing political and economic relationship. Bilateral investment remains strong and contributes to the economic prosperity of both nations. Two-way portfolio transactions in securities between the U.S. and Japan totaled \$2 trillion in 2016, a more than 10 percent increase from 2015. In 2016, US portfolio holdings of Japanese securities totaled over \$850 billion and Japanese portfolio holdings of US securities reached nearly 2 trillion, 44% and 64% over their 2007 levels, respectively. Focusing on government bonds, U.S. holdings of Japanese government bonds has more than doubled since 2007 to \$112 trillion. Japan is the second-largest holder of U.S. Treasuries, holding \$1.1 trillion, roughly 85% above its 2007 level. Clearly, we are important investors in one another's countries. The longstanding economic and strategic relationship between our two countries remains essential to long term global stability and prosperity.

Today's forum provides an opportunity for us to exchange lessons learned from one another's experience with financial market reform conducted in recent years.

I want to welcome our distinguished guests, Shigeharu Suzuki, Chairman and CEO of the Japan Securities Dealers Association, Manabu Morimoto, Vice Chairman of JSDA and Ambassador Reiichiro Takahashi of the Consulate General of Japan in New York.



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I would like to give a special thanks to Koichi Ishikura from JSDA. Koichi has been a host whenever I, or members of my staff, have traveled to Japan. I thank him for this friendship.

We are also honored to have as our keynote speakers the honorable Nobuchika Mori, Commissioner of the Financial Services Agency, Japan, and Akira Kiyota, Director & Representative Executive Officer, Group CEO of the Japan Exchange Group. I want to thank Mori-san for the valuable contributions he has brought to the international regulatory community on achieving the optimal balance between stability and sustainable growth.

Similarly, the distinguished Akira Kiyota of the Japan Exchange Group will share his insights on efforts to improve the efficiency and stability of Japan's capital markets. We thank Kiyota-san for his thought leadership on deepening the contribution of Japan's capital markets to global sustainable growth.

I would also like to welcome the rest of our accomplished guest speakers, including Michelle Gyles-McDonnough, Director of the Sustainable Development Unit in the Executive Office of the Secretary-General of the United Nations. Likewise, I'd like to welcome Paul Hunter, Secretary General of the International Bankers Association of Japan and the head of secretariat at the Japan Financial Markets Council, who will contribute to the closing panel discussion later today. I also wish to recognize my former board member, Keiko Tashiro of Daiwa.

We appreciate the support of our Summit sponsors, the Investment Trusts Association, Japan, the Japan Exchange Group, and the Japan External Trade Organization.

Once again, I extend a warm welcome to all of the participants in today's event.

And now, please join me in welcoming Shigeharu Suzuki, Chairman and CEO of the Japan Securities Dealers Association.