

(Press Release)

**EU-Japan High Level Meeting on Financial Issues
Brussels, 22 April 2009**

The annual EU-Japan High Level Meeting on Financial Issues was held in Brussels on 22 April 2009. This year's meeting provided an important opportunity for senior officials from both sides to exchange views on the global financial crisis just a few weeks after the G20 Summit held in London. Both parties agreed to deepen their cooperation striving for more open and competitive financial services markets with a view to a coordinated response to the crisis.

The Japan-EU High Level Meeting on Financial Issues was co-chaired by Mr Junichi Maruyama, Deputy Commissioner for International Affairs of the Japan Financial Services Agency (FSA), and by Mr Jörgen Holmquist, Director General of DG Internal Market and Services of the European Commission.

Since 1985, this meeting has enabled both sides to share information on policy developments, strengthen mutual understanding as well as to promote convergence of standards. In the context of global financial crisis, where global solutions are to be sought and international coordination reinforced, this meeting has gained even more relevance. Both sides discussed policies and reforms to be implemented to strengthen the financial system – a key pledge endorsed at the London G20 Summit.

Commission and FSA officials discussed the impact of the financial crisis in their own system and reviewed their commitments to follow up on the G20 action plan in a coordinated way. The meeting also aimed at sharing information on policy developments and exchanging views on selected key areas.

The FSA briefed the Commission services on the progress on the Better Market Initiative and on recent legislative developments regarding financial services in Japan. The FSA also presented the implementation of the revised Act on Special Measures for Strengthening Financial Functions.

The Commission services set out the actions taken in view of reinforcing regulation and supervision of financial services. Special attention was given to the Commission's recent legislative proposals, as well as to the follow-up to the de Larosière report and the EU's future regulatory agenda.

Both sides exchanged views on the regulation of credit rating agencies. The Commission services presented the latest developments regarding the proposed new legislative framework, while the FSA presented its reform plans. Both the Commission services and the FSA supported the need for ensuring adequate access to reliable ratings as well as investor protection in order to rebuild confidence.

Insurance-related matters were also discussed. The FSA presented recent reforms in Japan. The Commission services provided latest information on the Solvency II Directive, and the next steps for implementation. In addition, both sides endorsed the results of the first EU-Japan Insurance Dialogue held in Brussels in January 2009. They agreed to organise this dialogue on a regular basis to ensure deeper cooperation in areas of common interest.

Accounting and auditing issues were also an important part of the agenda. The Commission services recalled the Commission decision in July 2008 to grant Japanese audit firms a transitional regime until July 2010, which represents an interim step towards mutual reliance on each others' public oversight systems. The Commission services presented the state of play regarding a possible decision on the adequacy of the competent authorities in certain third countries concerning access and transfer of audit working papers. The FSA provided an update on recent developments in public oversight regime of foreign audit firms. The Commission services and FSA underlined the good cooperation with each other and recalled that close cooperation and full transparency is of the utmost importance to achieve mutual reliance. The Commission services also reported on the decision adopted on 12 December 2008, which recognised standards of the Japanese Generally Accepted Accounting Principles (GAAP) equivalent to the International Financial Reporting Standards (IFRS). The Commission services welcomed Japan's draft interim report on the "Application of International Financial Reporting Standards in Japan". The

Commission services and the FSA agreed on the need to reinforce the governance of the International Accounting Standards Committee Foundation. Both sides welcomed progress in the areas of audit and accounting, underlined the very good and open cooperation, and supported the continuation of monitoring sessions to be organised on a regular basis.

Both parties agreed to deepen their cooperation striving for more open and competitive financial services markets with a view to a coordinated response to the global financial crisis.

The next meeting will take place in Tokyo in 2010 with a view to continuing broad exchange of views in an open and constructive way.