6 November 2026

Joint Statement on the seventh Meeting of the Japan-EU Joint Financial Regulatory Forum

The seventh meeting of the Japan-EU Joint Financial Regulatory Forum took place in Tokyo on 4 and 5 November 2026. The participants discussed market developments in the Japanese, EU, and global markets, as well as financial stability risks. The participants also addressed a range of regulatory and supervisory matters, including those related to sustainable and digital finance, AI, cybersecurity, the banking and insurance sectors, and capital markets. The participants underscored the importance of internationally agreed standards and continued multilateral cooperation in international fora.

The Japan-EU Joint Financial Regulatory Forum was chaired by Mr. OZAKI Yu, Vice Commissioner for International Affairs of the Financial Services Agency of Japan (FSA), and Ms. Alexandra JOUR-SCHRÖDER, Deputy Director-General at the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union. The FSA and the European Commission were joined by senior officials from the European Central Bank, the European Banking Authority, the European Securities and Markets Authority, the European Insurance and Occupational Pensions Authority and the Single Resolution Board.

Participants reviewed recent macroeconomic and financial stability developments, noting the risks linked to inflation, changing market conditions, a reassessment of expectations surrounding AI, and the uncertain global outlook. They emphasised the importance of continued close exchanges of views, including through international bodies, to monitor vulnerabilities and mitigate potential risks to financial stability, including those related to geopolitical developments.

Participants shared updates on sustainable finance, including developments related to transition finance and sustainability reporting. The FSA provided an overview of recent progress on transition finance and development of Strategy-Focused Human Capital Disclosures guidance. The EU side outlined recent simplification measures to make the sustainable finance framework more effective and easier to use, as well as ongoing work on the future sustainability reporting standard for certain non-EU companies doing significant business in the EU, including work on interoperability. Participants reiterated the importance of continued cooperation and exchanges in bilateral and multilateral fora on sustainable finance issues, including comparing approaches to transition finance and sustainability-related disclosures and learning from implementation across jurisdictions.

In the area of digital finance, AI and cybersecurity, participants exchanged views on the developments in crypto-assets, stablecoins and tokenisation, the use of AI in financial services, and growing threats to cybersecurity and resilience. The FSA presented updates on recent developments in digital finance and its initiatives to promote the responsible and sound adoption of AI in the financial sector. The FSA also shared its recent work on addressing evolving cyber risks in light of advances in AI technologies. The European Commission provided an update on the implementation of the Markets in Crypto-assets (MiCA) Regulation and an overview of the focus areas of the recently closed public consultation. Participants

highlighted the importance of (i) responsible innovation to ensure that the use of AI in financial services remains safe and transparent, while supporting market stability and (ii) cyber resilience, particularly in light of how frontier AI is transforming cyber threats facing the financial sector. They noted the need for continued regulatory and supervisory cooperation bilaterally and in multilateral fora, such as G7, G20 and the Financial Stability Board. They also acknowledged the importance of strategic coordination on economic resilience and economic security in financial services, complementing the steps jointly taken in multilateral fora, notably the G7.

On insurance, Mr. MIYOSHI Toshiyuki, Vice Minister of International Affairs of the FSA and Chair of International Association of Insurance Supervisors (IAIS) Executive Committee, provided an update on recent international developments under the IAIS, covering implementation of the Insurance Capital Standard and supervisory implications of structural shifts in the insurance sector. The European Commission provided updates on EU policy developments, including progress on the Solvency II review and work related to natural catastrophes. The FSA presented recent supervisory actions to strengthen risk management and governance frameworks in response to evolving reinsurance practices and investment in alternative assets. The FSA also outlined the implementation of Japan's Economic Value-based Solvency Regulation and initial observations under the new framework.

Participants reviewed the respective progress in implementing the final elements of the Basel III reforms in the EU and Japan, noting that Japan has already fully implemented these elements. They reaffirmed the importance of the full, timely and consistent implementation of the Basel III framework across jurisdictions and discussed developments arising from its implementation. The European Commission outlined the ongoing work on bank competitiveness in the EU. Participants also discussed the key takeaways from the Japan-Banking Union workshop on the resolution framework held on the morning of 5th November between the Single Resolution Board (SRB) and the FSA.

In the area of capital markets, participants exchanged views on policy developments in their respective jurisdictions. The FSA presented its Financial Services Strategy to Promote Growth Investment, aimed at strengthening the functions of financial institutions and markets to channel growth capital, promoting corporate governance reforms, and enabling households to share in the gains from economic growth through enhanced asset owner capabilities, stronger asset management services, and support for steady asset building. For its part, the European Commission provided an update on the EU Savings and Investments Union (SIU), including the recent developments on the Market Integration and Supervision Package (MISP), which is currently progressing through the legislative process. It highlighted the SIU as a key pillar for enhancing investor returns and financing European businesses, thereby driving EU competitiveness, resilience, and strategic priority targets through deeper market integration. The Commission also updated on its reforms for the funds sector. Participants also exchanged views on recent regulatory developments related to non-bank financial intermediation (NBFI), including possible measures to monitor and address systemic risk.

Participants agreed to maintain close engagement on these topics, as well as on additional areas of mutual interest, in preparation for the next meeting of the Forum, which will take place in Brussels in 2027.

Background:

EU-Japan financial regulatory cooperation is based on Annex 8-A on the Regulatory Cooperation on Financial Regulation of the Agreement between the European Union and Japan for an Economic Partnership. This Annex is complemented by the Framework Laying Down Practical Arrangements to Implement EU-Japan Cooperation on Financial Regulation under Annex 8-A to the European Union-Japan Economic Partnership Agreement, adopted in March 2022 by the Financial Services Agency of Japan (FSA) and the European

Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). These arrangements concern such matters like the organisation of the meeting of the EU-Japan joint financial regulatory forum and the exchange of information between the participants.

The aim of the financial regulatory cooperation is to work bilaterally and in international bodies to further strengthening financial stability, fair and efficient markets and the protection of investors, depositors, policyholders, or persons to whoma fiduciary duty is owed by a financial services supplier. The EU-Japan Joint Financial Regulatory Forum is the main platform for discussions between the European Commission and the Financial Services Agency. It convenes every year. The European Central Bank, the European Supervisory Authorities and the Single Resolution Board regularly take part in discussions within the Forum.

The Directorate-General for Financial Stability, Financial Services and Capital Markets Union of the European Commission and the Financial Services Agency of Japan take part in the proceedings of the International Platform on Sustainable Finance. The Platform facilitates exchanges and, where relevant, coordinates efforts on initiatives and approaches to environmentally sustainable finance. It focuses on initiatives such as taxonomies, standards and labels, and disclosures, which are fundamental for investors to identify and seize green investment opportunities worldwide.

On 11 October 2019, the FSA and the Single Resolution Board agreed on a cooperation framework for cooperation on recovery and resolution.