Founded two decades ago in 1986, the Program on International Financial Systems (PIFS) conducts the highest quality international research, provides an international forum for exchange of ideas, gives public policy advice to governments, and educates international lawyers.

INTERNATIONAL RESEARCH & SCHOLARSHIP

Recent Research

Capital Markets Regulation Project

November 30, 2006 - The Committee on Capital Markets Regulation issued its first report, which focused on equity capital markets. The Committee intends this Interim Report to be the first of its evaluations of the legal and regulatory underpinnings of U.S. public capital markets. Future reports may evaluate the competitiveness of mutual fund and derivative markets, measures to avoid “short-termism”, and further issues related to shareholder rights.
http://www.capmktsreg.org/

Previous Research

Capital Adequacy Regulation Research

In 2002, PIFS embarked on a study of worldwide capital adequacy regulation of financial institutions. The project, supported by Swiss Reinsurance Company, published its final findings in Capital Adequacy Beyond Basel: Banking, Securities, and Insurance (Oxford University Press, 2005). The following is the table of contents of the book:

Table of Contents:
1. Capital Regulation for Position Risks in Banks, Securities Firms and Insurance Companies – Richard Herring and Til Schuermann
2. Capital Adequacy in Insurance and Reinsurance – Scott E. Harrington
3. Consolidated Capital Regulation for Financial Conglomerates – Howell E. Jackson
4. Using a Mandatory Subordinated Debt Issuance Requirement to Set Regulatory Capital Requirements for Bank Credit Risks – Paul Kupiec
5. No Pain, No Gain?: Effecting Market Discipline via “Reverse Convertible Debentures” – Mark Flannery
6. The Use of Internal Models: Comparison of the New Basel Credit Proposals with Available Internal Models for Credit Risk – Michael Crouhy, Dan Galai and Robert Mark
8. *Enforcement of Risk-Based Capital Rules* – Philip A. Wellons


Examined the role of law in the development of China, India, Japan, Korea, Malaysia, and Taiwan from 1960-1995

**Prototypes of Securities Regulation for Africa: Key Issues (1999)**

Analyzed securities laws in developing countries and evaluated options available to regulators (e.g., investor protection and the balance between merit regulation and disclosure).

**Asian Money Markets (1995)**

Researched the effects of government policy on money markets in Hong Kong, Indonesia, Korea, Malaysia, the Philippines, and Singapore, plus Japanese money markets before and after the Second World War.
ADDITIONAL RESEARCH: PROGRAM DIRECTOR

Director’s research supplements PIFS research

Recent Activities

International Finance
- *A Global Perspective on Corporate Governance*, 25 Credit Week 18(2005)

Previous Activities

Bank Capital

Sovereign Bankruptcy
International Securities Regulation
• The Internationalization of Primary Public Securities Markets, 63 Duke Journal of Law and Contemporary Problems 71 (2000)

The EURO
• When the Euro Falls Apart, 1 International Finance 207 (1998)
CONTRIBUTIONS TO TEACHING PROGRAM

Education: IF-LL.M. Concentration

**LL.M. Concentration in International Finance (1999-2006)**

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Cleary Gottlieb Steen & Hamilton Guest Lecture Series of the International Finance Seminar

In fall 2006, the “Cleary Gottlieb Steen & Hamilton Guest Lecture Series of the International Finance Seminar” began its first year. The firm of Cleary Gottlieb Steen & Hamilton and its partners are generously supporting PIFS to enable PIFS to continue to attract prominent speakers to the International Finance Seminar.

- Guest speakers for 2006/7:
  - Tony Neoh, Barrister-at-Law, Anthony Neoh, SC
  - Marshall N. Carter, Chairman of the Board, New York Stock Exchange
  - Chip Poncy Director of Strategic Policy, Office of Terrorist Financing and Financial Crimes, United States Department of the Treasury
  - Randal Quarles, Under Secretary for Domestic Finance
  - Hiroshi Watanabe, Vice Minister of Finance for International Affairs of Japan
  - Luigi Zingales, Robert C. McCormack Professor of Entrepreneurship and Finance, University of Chicago Graduate School of Business

Scholarly Papers Produced by IF-LL.M Students

Papers are disseminated on the Program’s website. Below are the selected papers from the 2006-2007 class year that have been published on the Program’s website:

- Hiroki Aoyama
  Hybrid Securities: A Comparative Study Between the U.S. and Japan

- Toussant Boyce
  Canaries in a Coal Mine: Competitive Complacency in the Decline of America’s Public Equity Capital Markets
Yoshio Ishitani  
*Asian Offshore Bond Markets*

Colin D. Lloyd  
*Non-Traditional Capital Controls: The Other Side of Securities Regulation*

Alexandre Richa  
*Credit Derivatives: Settlement and Other Operational Issues*

Winner of the Program on International Financial Systems Prize: Toussant Boyce

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**FOSTERING A GLOBAL DIALOGUE**  
International Forum for Exchange of Ideas

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**Japan-U.S. Symposium**  
(Inaugurated in 1998): Preeminent Bilateral Policy Forum

**10th Annual Japan-U.S. Symposium (Upcoming)**  
*Building the Financial System of the 21st Century*  
*September 14-September 16, 2007, Cambridge, MA*

**Topics:**  
- The Competitiveness of Capital Markets in Japan and the U.S.  
- Financial Regulatory Enforcement Systems in Japan and the U.S.  
- Retrospective Views on 10 Years of the Symposium and of Financial Reform in Japan and the U.S.

**Keynoter Speakers:**  
- Naoyuki Shinohara, Vice Finance Minister for International Affairs  
- Clay Lowery, Assistant Secretary for International Affairs, U.S. Department of the Treasury  
- Lawrence Summers, Charles W. Eliot University Professor, Harvard University  
- Junichi Ujiie, Chairman, Nomura Holdings, Inc

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**9th Annual Japan-U.S. Symposium**  
*Building the Financial System of the 21st Century*  
*October 20-22, 2006 at Wentworth by the Sea in New Castle, New Hampshire*

**Topics:**  
- How can Tokyo and New York ensure their competitive positions in the future as global financial market centers?  
- What is the impact of Japan’s economic resurgence on the U.S. – Japan financial relationship?
Monetary policy after Greenspan and quantitative easing

Keynoter Speakers:
- Yasuhisa Shiozaki, Chief Cabinet Secretary
- Hiroshi Watanabe, Vice Minister of Finance for International Affairs, Ministry of Finance
- Robert Dohner, Deputy Assistant Secretary, U.S. Department of Treasury, International Affairs
- Hideyuki Takahashi, President & CEO, Nomura Holding America Inc.
- Joseph L. Rice, Chairman, Clayton, Dubilier & Rice

**Europe-U.S. Symposium**

5th Annual Europe-U.S. Symposium
*Building the Financial System of the 21st Century*
*March 29-31, 2007, Louveciennes, France*

Topics:
- Issuance of Securities: Corporate Governance and Liability Regimes in the EU and the U.S.
- Trading of Securities: Market Regulation and Structure
- Derivative Markets, Alternative Products and Financial Stability Monitoring

Keynoter Speakers:
- Sir Win Bischoff, Chairman, Citigroup Europe
- C. Boyden Gray, Ambassador of the United States, European Union
- Jorgen Holmquist Director General for the Internal Market and Services, European Commission
- Michel Pebereau, Chairman of the Board of Directors, BNP Paribas

4th Annual Europe-U.S. Symposium
*Building the Financial System of the 21st Century*
*March 10-12, 2006, Armonk, New York*

Topics:
- Regulatory Convergence in Transatlantic Capital Markets
- Current Issues affecting the Regulation and Operation of the Asset Management Industry in the EU and the U.S.
- Supervision of Cross Border Activity of Banks and Insurance Companies

Keynoter Speakers:
- Roel Campos, Commissioner, U.S. Securities and Exchange Commission
- Andrew Crockett, President, JPMorgan Chase International
- Jonathan Evans, Member of the European Parliament
- David Wright, Director for Financial Services Policy and Financial Markets, European Commission
China-U.S. Symposium

4\textsuperscript{th} Annual China-U.S. Symposium
\textit{Building the Financial System of the 21\textsuperscript{st} Century}
June 24-26, 2007, Half Moon Bay, CA

Topics:
- The Process of Financial Change in China and the U.S.
- Reform of the Capital Markets in China and the U.S.
- Joint Ventures and Private Equity in and by China

Keynoter Speakers:
- Clay Lowery, Assistant Secretary for International Affairs, U.S. Treasury Department
- Madam Wu Xiaoling, Vice Governor, The People's Bank of China
- Robert Hormats, Vice Chairman, Goldman Sachs (International), Managing Director, Goldman Sachs and Co.

3\textsuperscript{rd} Annual China-U.S. Symposium
\textit{Building the Financial System of the 21\textsuperscript{st} Century}
June 23-25, 2006, Tianjin TEDA Hotel & Convention Centre in Tianjin, China.

Topics:
- Protection and Enforcement of the Rights of Minority Shareholders in Public Companies
- The Value of Strategic Partnerships in the Chinese Financial Sector
- U.S. Barriers to Chinese Acquisitions (CFIUS) and Trade Sanctions for an “Undervalued” Currency.

Keynoter Speakers:
- David P. Loevinger, Minister-Counselor for Financial Affairs, U.S. Embassy
- Ambassador Clark T. Randt, Jr., United States Ambassador to China, U.S. Embassy
- Guo Shuqing, Chairman, China Construction Bank and former Deputy Governor of the People's Bank of China
- Wu Xiaoling, Deputy Governor, People's Bank of China
- Dai Xianglong, Mayor of Tianjin and former Governor of the People's Bank of China
- Li Yong, Chairman, the Administrative Commission of TEDA

Appendix I to this Annual Report lists the sponsors of all of these Symposia.
SYMPOSIA IN THE DEVELOPMENT PHASE

- India-U.S. Symposium, Mumbai, India (Spring 2008)
- Latin America-U.S. Symposium, Madrid, Spain (November 30-December 2, 2007)
Professor Hal S. Scott was instrumental in the planning and organization of the following Roundtable:

IFRS Roadmap Roundtable held March 6, 2007 at the SEC, Washington, D.C.

Panel 1: Effect on the Capital Raising Process in the US Capital Markets
Panel 2: Effect on Issuers in the US Capital Markets
Panel 3: Effect on Investors in the US Capital Markets

Opening Remarks:
The Honorable Christopher Cox, Chairman, US SEC
Commissioner Charlie McCreevy, EC Commissioner for Internal Market

Introducer: Hal S. Scott, Harvard Law School

Panelists:
J. Richard Blackett, Citigroup Global Markets, Inc.
Neri Bukspan, Standard & Poor's
Nicolas Grabar, Cleary Gottlieb Steen & Hamilton LLP
David B. Kaplan, PricewaterhouseCoopers LLP
Roberta Karmel, Brooklyn Law School
Catherine R. Kinney, NYSE Group Inc.
Ken Pott, Morgan Stanley
Samuel J. Ranzilla, KPMG
Trevor Harris, Morgan Stanley
Dennis Johnson, CalPERS
Gregory J. Jonas, Moody's Investors Services
Joseph P. Joseph, Putnam Investments
Christian Leuz, Graduate School of Business, University of Chicago
Joel S. Osnoss, Deloitte & Touche LLP
Stephen M. Todd, Ernst & Young Global

Meredith B. Cross, Wilmer Cutler Pickering Hale and Dorr LLP
Robert V. Deere, Royal Dutch Shell plc
Denis Duverne, AXA
Phillip R. Jones, E.I. du Pont de Nemours and Company
Donald T. Nicolaisen, Member of various Boards of Directors and Audit Committees
William F. Widdowson, UBS AG
Previous Socratic Panel Discussions
Panel discussion on Mandating Integrity and Transparency: The Current State of Corporate Governance In the Global Marketplace, held December 6, 2005 sponsored by Standard & Poor’s.

Panelists:
• Paul Atkins, Commissioner, U.S. Securities & Exchange Commission
• Rolf-E. Breuer, Chairman, Deutsche Bank Supervisory Board
• John Byrne, Executive Editor, BusinessWeek
• George S. Dallas, Managing Director & Global Practice Leader, Standard & Poor’s
• Pierre Delsaux, Acting Director for Free Movement of Capital, Company Law and Corporate Governance, European Commission
• Guido Ferrarini, Professor of Business Law, University of Genoa
• Richard R. Kilgust, Global and U.S. Regulatory Affairs Leader, PricewaterhouseCoopers
• Elaine La Roche, Independent Non-Executive Director, China Construction Bank and Non-Executive Chairman of the Board of Linktone
• Jay W. Lorsch, Louis E. Kirstein Professor of Human Relations, Harvard Business School
• Masatsugu Nagato, Managing Executive Officer and Head of the Americas, Mizuho Corporate Bank, Ltd.
• Eric D. Roiter, Senior Vice President & General Counsel, Fidelity Management & Research
• Jochen Sanio, President, German Federal Banking Supervisory Office
• Sarah Ball Teslik, CEO, Certified Financial Planner Board of Standards, Inc.

Hal S. Scott, Nomura Professor and Director of the Program on International Financial Systems, Harvard Law School moderated the panel discussion.

Panel discussion on the Regulation of U.S. Capital Markets held at HLS March 7, 2005 sponsored by Standard & Poor’s

Panelists:
• Brandon Becker, Partner, Wilmer Cutler Pickering Hale & Dorr
• Roel Campos, Commissioner, U.S. Securities and Exchange Commission
• Peter Clapman, Senior Vice President and Chief Counsel, Corporate Governance, TIAA-CREF
• Robert Glauber, CEO and President, NASD
• Kenneth Griffin, Founder and CEO, Citadel Investment Group
• John Grout, Technical Director, The Association of Corporate Treasurers
• Richard Herring, Jacob Safra Professor of International Banking, The Wharton School, University of Pennsylvania
• Suzanne Nora Johnson, Vice Chairman, Goldman Sachs
• Richard Ketchum, Chief Regulatory Officer, Regulation, New York Stock Exchange
• Marc Lackritz, President, Securities Industry Association
• Thomas Lehner, Director, Public Policy, The Business Roundtable
• William McDonough, Chairman, Public Company Accounting Oversight Board
• William Parrett, CEO, Deloitte Touche Tohmatsu
Other Socratic Panel Discussion

Global Adoption of International Accounting Standards

NASD and PIFS presented the first symposium in NASD's International Securities Symposium Series, which addresses key issues related to transparency and efficiency in the capital markets.

NASD's inaugural symposium, "Global Adoption of International Accounting Standards," focused on one of the pivotal challenges facing markets: establishing a set of internationally accepted standards governing companies' reporting of their financial performance.

The symposium was held at Harvard Law School on February 3, 2003, and began with remarks by Howard Davies, Chairman, Financial Services Authority, and Robert Glauber, Chairman & Chief Executive Officer, NASD.

Hal S. Scott moderated the Panel Discussion.

Panelists

- Ray Ball, Professor, Chicago Graduate School of Business
- Henrik Bjerre-Nielsen, Director General, Danish Financial Supervisory Authority
- Sir Brian Corby, Chairman (retired), Prudential Assurance Company
- Samuel A. DiPiazza, Jr., Chief Executive Officer, PricewaterhouseCoopers
- Peter R. Fisher, Under Secretary, Department of the Treasury
- Robert Herz, Chairman, Financial Accounting Standards Board
- Lewis B. Kaden, Partner, Davis Polk & Wardwell
- Leo C. O'Neil, President, Standard & Poor's
- Henry M. Paulson, Jr., Chairman and Chief Executive Officer, The Goldman Sachs Group, Inc.
- Hardwick Simmons, Chairman and Chief Executive Officer, NASDAQ
- Sir David Tweedie, Chairman, International Accounting Standards Board

Corporate Governance Panel Discussion

A panel discussion entitled, "Obstacles & Opportunities: New Challenges to Corporate Governance in the U.S. & Japan" was a half-day conference at Japan Society of New York, Tuesday, November 9, 2004. The Japan Society event was co-organized with Nomura Holding America, Inc.

As framed by the Japan Society marketing materials: "Good corporate governance" doesn't always mean the same thing in Tokyo as it does in New York. While regulators, investors and corporations in both countries struggle to improve governance, many Japanese and Americans approach the issues of accountability, transparency and shareholder value in very different ways. The panel discussion was a far-reaching and timely discussion on the way governance is conceived in the U.S. and Japan, and a comprehensive look at current and upcoming issues in corporate governance within the global corporate community.
Program Outline

**Introductory Remarks**
- Hideyuki Takahashi, President & CEO, Nomura Holding America, Inc.

**Keynote Speakers**
- Richard Ketchum, Chief Regulatory Officer, New York Stock Exchange
- Taku Yamamoto, Senior Fund Manager & Head of Corporate Governance, Pension Fund Association of Japan

**Panelists**
- Peter Clapman, Senior Vice President & Chief Counsel for Corporate Governance, TIAA-CREF
- George S. Dallas, Managing Director, Governance Services, Standard & Poor's
- Takumi Shibata, Senior Managing Director, Nomura Holdings, Inc., Member of the Board, Executive Vice President, Nomura Securities Co., Ltd.

**Presider**
- Hal S. Scott, Nomura Professor and Director of the Program on International Financial Systems, Harvard Law School

**Socratic Panel Discussion in Development Phase:**
Panel discussion on Islamic Capital Markets to be held in early 2008, to be sponsored by Standard & Poor's; this conference may be held in Dubai.

**Other Event**

**PIFS 20th Anniversary Dinner, October 19, 2006**
To acknowledge our gratitude to PIFS's many supporters, PIFS organized a 20th Anniversary Dinner at the Loeb House. Over 120 guests attended. Dean Elena Kagan, Harvard Law School and Wilbur L. Ross, CEO & Chairman, WL Ross & Co. LLC were the keynote speakers.
Judicial Training in Egypt (2001)
- Sponsor – Cairo and Alexandria Stock Exchange
- Topic- Enforcement of Securities Laws

Financial Reform in Southeast Asia
- e.g. Financial Reform in Vietnam (1999)

Market Reforms in Europe and Central Asia (1989)
- e.g. Drafting of Corporate Laws in Bulgaria
PROFESSIONALS AT PIFS

- Hal S. Scott, Director
- J Weinstein, Deputy Director
- Robin Radin, Associate Director
- Donald P. Kanak, Senior Fellow
- Judith Polgar, Program Manager
- Sara Reisman, Financial Analyst
- Kathleen Bosley, Event Coordinator
- James Apostol, Program Associate and Technical Coordinator
- Judith Silverman, Faculty Assistant (part time with PIFS)
- Jennifer Grygiel (Works with the CCMR)
APPENDIX I

SYMPOSIA SPONSORS

2007 Japan-U.S. Symposium

- Aflac
- Advantage Partners
- AIG
- American Securities, L.P.
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Baker Mckenzie
- Bayview Asset Management Co., LTD
- Bingham McCutchen Murase
- Capital Partners Securities Co., Ltd.
- Caxton Associates, LLC
- Cerberus Japan K.K.
- Citigroup
- Daido Life Insurance Company
- Daiwa America Corporation
- Fidelity Investments
- GE Japan
- Genworth Financial
- Japan Securities Dealers Association
- JPMorgan Securities Japan Co., ltd.
- Kamano Sogo Law Office
- KPMG Azusa & Co.
- Linklaters Law Office
- Medley Capital Management
- Mitsubishi International Corp.
- Mizuho Corporate Bank, Ltd.
- Mizuho Securities
- Monex Securities
- Morgan Stanley Japan
- Nagashima Ohno & Tsunematsu
- Nikko Asset Management Co., Ltd.
- Nikko Cordial Group
- Nomura Holdings America Inc.
- Norinchukin Bank
- Prudential
- Ramius Capital Group
- Rating and Investment Information, Inc.
- RS Asset Management Japan Co., Ltd.
- Shin Nihon & Co.
- Shinsei Bank
- Sidley Austin Brown & Wood LLP
- State Street Corporation
• Sumitomo Mitsui Banking Corporation
• Sumitomo Trust & Banking Co., Ltd.
• Tokio Marine & Nichido Fire Insurance Co., Ltd.
• Tokyo Stock Exchange, Inc.
• Unison Capital
• White & Case, LLP

2007 Europe-U.S. Symposium
• Banca Imi
• BNP Paribas
• BNP Paribas Securities Services
• Citigroup
• City of London
• Clifford Chance LLP
• Deutsche Bank AG
• Deutsche Börse AG
• Europlace Institute of Finance
• International Swaps and Derivatives Association, Inc.
• Mercer Oliver Wyman
• Merrill Lynch
• Paris Europlace
• PricewaterhouseCoopers
• SIFMA
• State Street
• White & Case, LLP
• World Federation of Exchanges

2007 China-U.S. Symposium
• Deloitte
• Goldman Sachs & Co
• AIG
• Bank of China
• Bingham McCutchen Murase
• BlackRock
• Caxton
• Ceyuan Ventures
• Chicago Mercantile Exchange
• China AMC
• China Construction Bank
• China Gloria
• China International Capital Corporation Limited
• Citigroup
• Davis Polk Wardwell
• Fidelity
• Greenberg Traurig, LLP
• H&Q Asia Pacific
- Lehman Brothers
- Mellon
- Moody’s Corporation
- Morgan Stanley
- State Street Bank
- The Tudor Group
- Unio Holdings
- Visa
- Wells Fargo
- Wilson Sonsini Goodrich & Rosati