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GROUP OF THIRTY

CONSULTATIVE GROUP ON INTERNATIONAL ECONOMIC AND MONETARY AFFAIRS, INC.

Spring 2011

Chairman's Message



Jacob Frenkel

The G30 continues to engage the central banking and financial communities and foster debate and consideration of common challenges we all face.

Our report on macroprudential policy, *Enhancing Stability: Macroprudential Policy, Tools, and Systems for the Future*, released late last year, defined what is meant by the concept and laid out a series of policy options for central banks and supervisors. We are pleased to see considerable collective progress toward these important macroprudential policy goals through the G20, the Financial Stability Board, and the Basel III process.

The latest G30 project addresses a very important issue indeed: Corporate governance. Specifically, the project is seeking to identify best practices and board level corporate governance metrics that firms and supervisors can use in assessing current

Continues on page 3

Work Program News

G30 Working Group on Corporate Governance

In February of 2011, the G30 began a new Working Group on Corporate Governance. The project is led by a Steering Committee with Roger W. Ferguson (Chairman), Sir David Walker, and William Rhodes. A number of G30 members have joined the Working Group for the project.

The project aims to make a series of specific recommendations regarding the supervisory monitoring and effective implementation of key agreed corporate governance reforms by the boards of directors of large financial firms.

The Working Group is conducting a series of interviews with senior officials at systemically important

financial institutions around the world to determine the appropriate recommendations. The Working Group aims to complete the study by late fall of 2011.

This study of corporate governance is directed at regulators, policy makers, and leading financial institutions. The G30 leadership expects that this report will provide a nuanced analysis and actionable recommendations for firms and supervisors, and contribute to the debate already underway in this sphere.

Please contact us at info@group30.org should you wish to request more information about the scope and nature of this project.

G30 Member Updates

Tharman Shanmugaratnam, Singapore's Minister of Finance, was named as the IMF's International Monetary and Financial Committee's Chairman in March 2011. In May, he was named Deputy Prime Minister of Singapore.

Guillermo Ortiz, former Governor of the Bank of Mexico, was named President and Chairman of Grupo Financiero Banorte in 2011.

Ken Rogoff has received the 2011 Deutsche Bank Prize in Financial Economics for his contributions to the field of international finance and macroeconomics.

Masaaki Shirakawa, Governor of the Bank of Japan, was elected as Vice-Chairman of the Bank for International Settlements.

Fall 2010 Annual International Banking Seminar

The G30 Annual International Banking Seminar took place on October 10, 2010, hosted by Luis Alberto Moreno and the Inter-American Development Bank. The seminar addressed the global economic outlook, alternative engines for economic growth, and financial reform. The IBS included remarks by Ben Bernanke, Jean-Claude Trichet, Mervyn King, Zhou Xiaochuan, Montek Ahluwalia, Luis Alberto Moreno, Robert Zoellick, Paul Volcker, Mario Draghi and Philipp Hildebrand. The seminar had over 300 central bank governors, ministers and financial sector leaders for the informative and frank discussions. ³⁰



Above: Ben S. Bernanke delivers remarks at the 2010 International Banking Seminar.

Left: Mario Draghi, Paul Volcker, Jacob Frenkel, Geoffrey Bell, and Philipp Hildebrand on a panel during the Seminar.

New Members

The Group of Thirty Welcomes Two New Members

The G30 is pleased to welcome **Lawrence H. Summers** back as a member after the conclusion of his public role. He had been serving as Director of the National Economic Council after his appointment by President Barack H. Obama on November 24, 2008.

Previously, he was the Charles W. Eliot University Professor at Harvard University and the 27th president of Harvard University from 2001 through 2006. From 1999 to 2001 he served as the United States Secretary of the Treasury, after his earlier service as Deputy and Under Secretary of the Treasury and as Chief Economist of the World Bank. Prior to his Washington service, Summers was a professor of economics at Harvard and MIT. His research contributions were recognized when he received the John Bates Clark Medal, and when he was the first social scientist to receive the National Science Foundation's Alan T. Waterman Award for outstanding scientific achievement.

The G30 welcomes to our membership **Mark Carney**, Governor of the Bank of Canada. Mr. Carney was appointed Governor of the Bank of Canada effective 1 February 2008, for a term of seven years. As Governor, he is Chairman of the Board of Directors of the Bank. He is a member of the Board of Directors of the Bank for International Settlements, and Chairman of its Committee on the Global Financial System.

Prior to joining the public service, Mr. Carney had a thirteen-year career with Goldman Sachs in its London, Tokyo, New York and Toronto offices. Mr. Carney was appointed Deputy Governor of the Bank of Canada in August 2003. In November 2004, he left the Bank to become Senior Associate Deputy Minister of Finance - a position he held until his appointment as Governor of the Bank. While at the Department of Finance he oversaw the budget process and served as Canada's Finance deputy to the G-7, G-20 and Financial Stability Forum. ³⁰

Chairman's Message from page 1

practices. Where possible the project is also working to identify improvements in governance practices. The G30 leadership is confident that with the assistance of our members, contributors and supporters this project can add to the global policy debate in a constructive and comprehensive manner. We look forward to releasing the results of this endeavor in the fall of 2011.

Looking ahead, I do hope we can welcome a great many of you to our International Banking Seminar scheduled for the morning of Sunday, September 25, in Washington, D.C.

Finally I would like to thank our many longstanding contributors and our newest contributors for their support of the G30's mission.

Sincerely,



Jacob Frenkel

The Group of Thirty is pleased to announce the publication of two new volumes in our Occasional Paper series:

Occasional Paper 81, "*Regulatory Reforms and Remaining Challenges*," is a new series of key interventions by William Dudley, Philipp Hildebrand, Roger Ferguson, Jacques de Larosiere, Adair Turner, Mark Carney, and Paul Tucker on the next challenges ahead for the financial system. These remarks were adapted from remarks delivered at the 64th plenary in New York and were published in May.

The Group will also publish Occasional Paper 82, "*The 2008 Financial Crisis and Its Aftermath: Addressing the Next Debt Challenge*." Written by Thomas Russo and Aaron Katzel of AIG, this paper takes an in-depth look at the financial crisis and its impacts on Europe, the United States, and emerging market economies. The paper builds on the previous paper Thomas Russo published with the Group in 2007.

Both papers will be available for purchase at www.group30.org.³⁰

In Memoriam Tommaso Padoa-Schioppa



It is with great sadness and regret that we acknowledge the loss of one of our members, Tommaso Padoa-Schioppa. His roles as an architect of the European single currency, as a towering intellect in the central banking community, and as a finance minister of Italy leave us with a historic legacy that will not soon be forgotten. Tommaso Padoa-Schioppa died on December 18, at the age of 70. He will be remembered by the G30 as an active participant, a collegial member and a friend.

About the Group of Thirty

The Group of Thirty, formally known as "The Consultative Group on International Economic and Monetary Affairs, Inc." was founded in 1978.

The Group of Thirty is a private, nonprofit, international body composed of senior representatives of the private and public sectors and academia.

The Group aims to deepen understanding of international economic and financial issues, explore the international repercussions of decisions taken in the public and private sectors, and examine the choices available to market practitioners and to policy makers.

The Group is led by Paul A. Volcker, Chairman of Trustees, and Jacob A. Frenkel, Chairman of the Group.³⁰

Contributors

The G30 is grateful to all its friends, supporters and contributors for their generous help and continuous engagements. Contributors support the mission of the group: To deepen understanding of international economic and financial issues, to explore the international repercussions of decisions taken in the public and private sectors, and to examine the choices available to market practitioners and policy makers.

We would like to express gratitude and welcome the following new individuals and institutions as contributors: Absa Bank, BancoSabadell, Bankia, BMCE Bank, Central Bank of Jordan, Itau Unibanco, Olayan Group, Peter Roth, and Thomas Russo.³⁰



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Upcoming Events

May 26-28, 2011

65th Plenary Meeting

Hosted by Philipp Hildebrand and the Swiss National Bank

September 25, 2011

International Banking Seminar

Hosted by President Luis Alberto Moreno and the Inter-American Development Bank

December 1-3, 2011

66th Plenary

Hosted by William Dudley and the Federal Reserve Bank of New York

*These events are invitation-only.

Group of Thirty Events

The events hosted by the Group of Thirty are invitation-only forums in which very senior members of the banking, financial, and regulatory community come together to discuss issues of common concern in off-the-record settings conducive to frank exchanges of views and positions.

G30 members meet in plenary sessions twice a year to discuss important economic, financial and policy developments.

The Group also hosts an annual International Banking Seminar for public officials and private sector leaders during fall meetings of the International Monetary Fund and World Bank. ³⁰



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