

## The future of financial regulation: a discussion with the chairman of the AMF

### Introduction

On 7-8 April 2009, members of the European Audit Committee Leadership Network (EACLN) met in Paris for the network's 11th stand-alone meeting. Members discussed the future of financial regulation with Jean-Pierre Jouyet, Chairman of the Autorité des marchés financiers (AMF). [Biographical information for Mr Jouyet can be found in the Appendix, on page 9.](#) In separate sessions, members also discussed funding and liquidity challenges companies are facing in the current economic environment<sup>1</sup> and the role of the audit committee in financial communication.<sup>2</sup> [For further information about the network, see About this document, on page 10.](#)

Mr Jouyet and members focused on three areas in their discussion on the future of financial regulation:

- **The role of the AMF and its current priorities**
- **The future of financial regulation in Europe**
- **The impact of the April G-20 summit on global financial regulation**

The members of the network participating in the meeting sit on the boards of over 30 large-, mid- and small-capitalisation public companies. Network members participating in the meeting included:

- Mr Aldo Cardoso, Audit Committee Chair, GDF SUEZ
- Mr Daniel Lebègue, Audit Committee Chair, SCOR
- Mr Anders Nyrén, Audit Committee Chair, Sandvik and SCA
- Sir Ian Prosser, Audit Committee Chair, BP
- Mr Pierre Rodocanachi, Audit Committee Member, Vivendi
- Ms Guylaine Saucier, Audit Committee Chair, Areva
- Mr Kees Storm, Audit Committee Chair, Anheuser-Busch InBev and Unilever
- Dr Bernd Voss, Audit Committee Chair, ABB
- Mr Lars Westerberg, Audit Committee Chair, Volvo
- Mr Mario Zibetti, Audit Committee Chair, Fiat Group

Ernst & Young was represented by Mr Tom McGrath, Managing Partner, EMEIA Financial Services, and Mr Christian Mouillon, Deputy Area Managing Partner, EMEIA.

*ViewPoints* reflects the network's use of a modified version of the Chatham House Rule, whereby names of members and their company affiliations are a matter of public record, but comments made before and during

<sup>1</sup> European Audit Committee Leadership Network, "Funding and liquidity in today's capital markets," *ViewPoints*, 8 May 2009. Available at [http://www.tapestrynetworks.com/documents/Tapestry\\_EY\\_Euro\\_ACLN\\_May09\\_View19.pdf](http://www.tapestrynetworks.com/documents/Tapestry_EY_Euro_ACLN_May09_View19.pdf)

<sup>2</sup> European Audit Committee Leadership Network, "The audit committee role in financial communication," *ViewPoints*, 8 May 2009. Available at [http://www.tapestrynetworks.com/documents/Tapestry\\_EY\\_Euro\\_ACLN\\_May09\\_View20.pdf](http://www.tapestrynetworks.com/documents/Tapestry_EY_Euro_ACLN_May09_View20.pdf)

meetings are not attributed to individuals or companies. However, Mr Jouyet has given permission for his comments to be attributed.

## Executive summary

During the discussion on the future of financial regulation, Mr Jouyet and members focused on the following topics, which are covered in more detail on the following pages:

- **The role of the AMF and its current priorities** (*Page 2*)

The AMF regulates and oversees the financial markets in France. The financial crisis has elevated a number of priorities for the AMF, including efforts to ensure: savings and investments are protected, for example, by pursuing greater oversight of public company governance and executive remuneration; investors are well informed, such as by pursuing tighter regulations on the marketing of financial products; and the satisfactory operation of the markets, including restricting short-selling and addressing takeover bids.

- **The future of financial regulation in Europe** (*Page 6*)

Mr Jouyet endorsed in full the 31 recommendations of the Jacques de Larosière report on improving European financial regulation, presented to the European Commission in February 2009. Mr Jouyet urged the Commission to accept the recommendations without any changes and discussed his views on the implementation of several of them, including securitised products and derivatives markets, and the creation of a European Systemic Risk Council and a European System of Financial Supervisors.

- **The impact of the April G-20 summit on global financial regulation** (*Page 7*)

EACLN members and Mr Jouyet commended the outcomes of the 2 April meeting of the leaders of the G-20, in particular, noting that the communiqué and international press coverage has helped to boost public confidence in the face of the global financial crisis. In addition, Mr Jouyet drew members' attention to several specific positive outcomes of the G-20 summit, including leaders' intentions to address issues such as executive remuneration, regulatory "black holes" and the governance and accountability of accounting standards setters.

## The role of the AMF and its current priorities

The AMF is the independent public agency that is responsible for regulating and overseeing the financial markets in France.<sup>3</sup> The AMF works co-operatively with the other banking and finance regulatory authorities in France, primarily including the Banque de France, which supervises and regulates the French banking system, and the Autorité de contrôle des assurances et des mutuelles, which oversees insurance companies in France.<sup>4</sup>

The mission of the AMF is to:

- Safeguard investments in financial instruments and in all other savings and investment vehicles

<sup>3</sup> Autorité des marchés financiers, *Autorité des marchés financiers: an independent public authority tasked with investor protection* (Paris: Autorité de marchés financiers, 2007), page 2. Available at <http://www.amf-france.org/affiche.asp?id=7294>.

<sup>4</sup> *Ibid.*, page 3.

- Ensure that investors receive material information
- Maintain orderly financial markets.<sup>5</sup>

The AMF fulfils this mission through a combination of regulation, authorisation, supervision and enforcement. Mr Jouyet said, *“It is an important job.”*

## Current priorities

The financial crisis has led to public calls for a strengthening of financial regulation across Europe. Mr Jouyet has been vocal in urging swift action on the part of regulators “in order to rebuild, quickly, because the clock is ticking.”<sup>6</sup>

Before and during the meeting with Mr Jouyet, EACLN members expressed an interest in understanding how the AMF is addressing the concerns of market participants and adapting its role to meet the current challenges. In the April AMF *Financial Regulation Newsletter*, Mr Jouyet said, “In the near term, what matters most is that existing rules be applied uniformly and that new rules be adopted quickly in areas where rules are lacking and clearly needed. We must show pragmatism and put effectiveness first. This is what investors expect of us. It is what the market expects of us.”<sup>7</sup> Mr Jouyet reiterated the message when he told members, *“We are adapting and changing our regulation in a bear market.”*

In the discussion with EACLN members, Mr Jouyet focused on:

- Efforts to ensure savings and investments are protected
- Efforts to ensure investors are well informed
- Current actions to ensure the satisfactory operation of the markets.

## Efforts to ensure savings and investments are protected

A number of members raised questions about the impact of the crisis on the future of corporate governance. One member said, *“As far as the protection of investors is concerned, good [corporate] governance improves the chances ... Does the AMF consider some practical governance issues such as the composition of the supervisory board and the nomination or qualification of independent directors?”* In response, Mr Jouyet said, *“Our priority is first to see about the extension of our remit over governance. The legislature has to do that ... The governance of boards – such as the frequency of meetings, composition, risk controls – all the rules should be strengthened to protect the companies. It’s a difficult task ... Here the AMF does not have sufficient powers.”*

Members raised concerns about the public’s increasingly inflated expectations regarding the ability of boards to protect companies against unforeseen risks. Mr Jouyet said, *“It is true that some types of risk are not in [your] control. [However,] at the end of the day, you can be responsible for some types of risk ... With the*

<sup>5</sup> Autorité des marchés financiers, “What we do,” [http://www.amf-france.org/affiche\\_page.asp?urldoc=lesmissionsamf.htm&lang=en&Id\\_Tab=0](http://www.amf-france.org/affiche_page.asp?urldoc=lesmissionsamf.htm&lang=en&Id_Tab=0).

<sup>6</sup> Jean-Pierre Jouyet, “Opening Remarks to the Finance Committee.” Hearing before the Finance Committee, National Assembly, 4 February 2009.

<sup>7</sup> Autorité des marchés financiers, “Towards a new supervisory framework,” *Financial Regulation Newsletter*, no. 13 (April 2009), pp 1-2. Available at [http://www.amf-france.org/documents/general/8812\\_1.pdf](http://www.amf-france.org/documents/general/8812_1.pdf).

*8th Directive,<sup>8</sup> you need to be sure all the procedures have been implemented and all the due diligence has been carried out. The board's role is to make sure all control procedures have been carried out."*

Mr Jouyet added, *"[Directors] need to work with auditors to challenge management on the risks the company is carrying. This is more relevant in the financial industry than elsewhere, but it is extremely important. Each company must control how risks are managed by the board and in the company. There will be more regulations drafted in the future to ensure companies control risks. [Overseeing] risk control methods is highly complex, and regulators don't always have expertise in this, so it is difficult but essential."*

Throughout the EACLN meeting, members discussed their concerns about the impact of the crisis on corporate governance. For more on this dialogue, see the box on page 5.

Mr Jouyet shared the AMF's view that regulators need to agree on a common set of principles for guiding the remuneration of executives. He stated, *"It is necessary for the AMF to address the compensation issue in two phases: first, to avoid systemic risk that is linked to the remuneration of [financial services executives] that is not adapted to the risks taken, and secondly, to see if this applies outside of the financial sector. We need to ensure the principle of transparency (the most important one) and to see if self-regulation and recommendations are correctly implemented."* Moreover, the AMF will report to the French Minister of Finance how the AFEP/MEDEF<sup>9</sup> recommendations on remuneration have been applied by issuers.

### **Efforts to ensure investors are well informed**

Mr Jouyet noted the AMF's support for the European Commission's efforts to update legislation on Undertakings for Collective Investment in Transferable Securities (UCITS), or the retail investment funds market. The revised legal framework includes "[changes to] the fund notification procedure, mechanisms for cross-border mergers, creation of a cross-border scheme for master-feeder funds, the management company passport and its extension to all UCITS, recasting the simplified prospectus as a single 'key information document', and enhanced co-operation between regulatory authorities."<sup>10</sup> Mr Jouyet said, *"A few toxic products – highly complex, structured products – were sold to the public through money market funds. We are trying to clean this up and are seeking a new classification to stop that [from happening in the future.]"*

Regarding changes needed in French regulation, Mr Jouyet said, *"France is lagging behind on supervising the marketing of financial products. While we closely supervise the prospectuses, there is progress to be made [on oversight] of this information after it is released. I took over [as chairman of the AMF] on the same day as the Madoff scandal broke, and it had a big impact on me. We are [now] considering everything about how products are marketed."*

### **Current actions to ensure the satisfactory operation of the markets**

Mr Jouyet said, *"We are looking at how people are participating in the market. For example, we have set out conditions and are consulting financial players in the Paris market on the issue of short-selling."* In

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<sup>8</sup> The European 8th Company Law Directive (2006/43/EC) provides a legal framework for member states relating to statutory audits. The objectives of the Directive are to ensure that investors and other interested parties can rely fully on the accuracy of audited accounts and to enhance the EU's protection against accounting scandals. The Directive clarifies the duties of statutory auditors, sets out ethical principles to ensure their objectivity and independence, requires external quality assurance, ensures robust public oversight over the audit profession and improves co-operation between regulatory authorities in the EU. The Directive also requires listed companies to establish an audit committee with clear functions to perform.

<sup>9</sup> Association Française des Entreprises Privées (Association of French Private-Sector Companies) and Mouvement des Entreprises de France (French Business Confederation).

<sup>10</sup> Autorité des marchés financiers, "Progress of UCITS IV," *Financial Regulation Newsletter*, no. 13 (April 2009), page 4. Available at [http://www.amf-france.org/documents/general/8812\\_1.pdf](http://www.amf-france.org/documents/general/8812_1.pdf).

September 2008, the AMF adopted a temporary rule on the short-selling of securities issued by companies in the French financial sector that included a ban on naked shorting<sup>11</sup> and required a disclosure on net short positions exceeding 0.25% of the issued share capital of any of the companies covered by the rule.<sup>12</sup> The AMF has extended the temporary rule while it takes public comment on a proposal for a future permanent rule covering all listed securities.<sup>13</sup>

A member raised concerns about the protection of non-majority shareholders in takeover situations, saying, “*What is the AMF’s [point of view on] conflicts of interest in takeover bids?*” Mr Jouyet said, “*We are looking at how regulation should change with regard to takeover bids.*” Mr Jouyet went on to say that the AMF is considering lowering the percentage-of-ownership threshold for takeover bids in light of the need for tighter supervision.<sup>14</sup>

### Key audit chair concerns about the impact of the crisis on corporate governance

- **Public expectations about the board’s role in protecting companies against risks are too high.** A member said, “*Are we giving the world the impression that we can control risk? ... We can have a good process but we don’t control or predict risks.*” Another said, “*How many of us attended board meetings after the Lehman situation to address what was next, but who saw the risk coming?*” Members emphasised that the European 8th Company Law Directive states that the audit committee’s legal obligation is to monitor the internal control and risk management processes. A member said, “*For me, ‘monitor’ means we have a process to understand the risk, satisfy the audit committee that the control system is being followed and check that the control system is robust.*”
- **Pressures for increased board oversight powers may blur the line between executive and non-executive directors.** “*What worries me is that we are in danger of blurring the distinction between the executive and non-executive director. Are we going to spend two to three days per week per company? We are throwing out [the governance processes] we had, which haven’t been bad. We don’t have an end position for the board in mind. We need to understand what the board will look like. There is a mounting legal liability. We have to better define responsibilities for the board.*”
- **Legislation or regulation that targets corporate governance may have unintended consequences.** Members doubt that proposed regulation on corporate governance would improve company performance. One member said, “*It is interesting that [some of the prominent financial firms that have suffered the greatest in the financial crisis] came through the Sarbanes-Oxley [processes] with high marks.*” Another member protested government involvement in corporate governance policies, saying “*Good corporate governance is about how to guide the relationships among the shareholders, the board and the executives ... We can’t have too many detailed guidelines ... We need the input of large shareholders; they are responsible for good corporate governance too. It’s in their interest ... [If] we delete them from the equation, we miss something.*” Members also feared that non-financial companies would suffer under regulation intended to solve problems in financial institutions: “*What concerns me is the idea to extend regulation to all industries and regions. Do [we] believe there are major problems in other industries outside the financial industry?*”

<sup>11</sup> Naked shorting is the practice of naked short-selling, that is, the practice of selling securities that the seller does not own at the time of the sale, and without arranging to borrow the securities first, which is the customary practice when short-selling. Both short-selling and naked short-selling are often illegal, as they enable traders to drive down the price of a company’s shares by making an overwhelming number of shares available for sale.

<sup>12</sup> Autorité des marchés financiers, “Short-selling,” *Financial Regulation Newsletter*, no. 13 (April 2009), page 5. Available at [http://www.amf-france.org/documents/general/8812\\_1.pdf](http://www.amf-france.org/documents/general/8812_1.pdf).

<sup>13</sup> Ibid.

<sup>14</sup> Takeover bids are a public offering to acquire all of the securities of a company. European law on takeover bids (Directive 2004/25/EC) requires equal treatment of the target’s shareholders. For this reason, bidders must make a mandatory offer for all of the target’s outstanding shares upon reaching an ownership threshold specified by member states.

## The future of financial regulation in Europe

Across Europe, regulators like the AMF have been addressing concerns at a national level as well as seeking to maximise regulatory co-ordination across their borders. To address the crisis at a European level, European Union (EU) President José Manuel Barroso called upon former French central banker Jacques de Larosière to lead a high-level group to develop recommendations on the future of financial regulation and supervision. The de Larosière report includes 31 recommendations aimed at better organising the supervision of financial institutions and markets in the EU, strengthening European co-operation on financial stability oversight and ensuring EU supervisors co-operate globally.<sup>15</sup> The report was released in February 2009.<sup>16</sup>

The recommendations have been received very positively across the EU. In his opening remarks at a press conference on 4 March, Mr Barroso said, “The Commission today broadly endorses the de Larosière report recommendations, and sets out how to take them forward. The European Commission ... decided to endorse in general the conclusions of that very important piece of work. We will present a European financial supervision package already by the end of May, based on those recommendations.”<sup>17</sup> Speaking at the EACLN meeting, Mr Jouyet said, *“I must say, it is an excellent paper. It’s the first time we have a report of such quality. I belong to those who believe the European Commission must accept all of its recommendations and implement them without making any changes.”*

Several of the recommendations proposed by the report are already being pursued by the Commission, which stated:

The Commission has already taken concrete initiatives in areas such as credit rating agencies; insurance; revision of capital requirements under Basel II; securitised products; mark-to-market accounting rules and addressing pro-cyclicality of regulatory measures. Industry has acceded to the Commission’s request to move Credit Default Swaps on European entities and on indices of European entities onto a central clearing platform established, regulated and supervised in Europe by 31 July 2009. In other areas, such as the regulation of hedge funds and other non-bank investment actors, transparency of derivatives markets and improved accounting rules, Commission proposals will be brought forward as a matter of priority in the coming months.<sup>18</sup>

At the EACLN meeting, Mr Jouyet drew members’ attention to several significant de Larosière recommendations:

- **Recommendation 8 on securitised products and derivatives markets:** the report calls for simplifying over-the-counter derivatives, introducing one well-capitalised central clearing house for credit default swaps and ensuring that issuers of securitised products retain a meaningful amount of the underlying risk of those products on their books for the life of the instrument.<sup>19</sup> Mr Jouyet stated, *“It*

<sup>15</sup> Commission of European Communities, Brief summary of the de Larosière report, (Brussels: European Commission, 2009) page 1. Available at [http://ec.europa.eu/commission\\_barroso/president/pdf/statement\\_20090225.pdf](http://ec.europa.eu/commission_barroso/president/pdf/statement_20090225.pdf)

<sup>16</sup> The report is available at [http://ec.europa.eu/internal\\_market/finances/docs/de\\_larosiere\\_report\\_en.pdf](http://ec.europa.eu/internal_market/finances/docs/de_larosiere_report_en.pdf).

<sup>17</sup> José Manuel Barroso, “Driving European recovery.” Opening remarks at the press conference presenting the Commission’s contribution to the Spring European Council, Brussels, 4 March 2009. Available at <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/09/90>.

<sup>18</sup> Commission of the European Communities, *Communication for the Spring European Council, Driving European Recovery, Volume I* (Brussels: European Commission, 2009), page 5. Available at [http://ec.europa.eu/commission\\_barroso/president/pdf/press\\_20090304\\_en.pdf](http://ec.europa.eu/commission_barroso/president/pdf/press_20090304_en.pdf).

<sup>19</sup> High-Level Group on Financial Supervision in the EU, *Report* (Brussels: European Commission, 2009), page 25. Available at [http://ec.europa.eu/internal\\_market/finances/docs/de\\_larosiere\\_report\\_en.pdf](http://ec.europa.eu/internal_market/finances/docs/de_larosiere_report_en.pdf).

*will be important to know how it will be organised. Who will be in charge of clearing? What technology, in what markets?”*

- **Recommendation 16 calls for the creation of a new body called the European Systemic Risk Council (ESRC):** the ESRC would be developed to pool and analyse information relevant to financial stability.<sup>20</sup> Mr Jouyet praised this recommendation, calling it *“one of the de Larosière report’s flagship recommendations.”*
- **Recommendation 18 would set up a network called the European System of Financial Supervisors (ESFS):** under the ESFS, existing national supervisors would continue to carry out day-to-day supervision of national financial systems, but three new European authorities would be set up, replacing three current authorities,<sup>21</sup> with the role of co-ordinating the application of supervisory standards and guaranteeing strong co-operation between the national supervisors. This recommendation also calls for colleges of supervisors to be set up for all cross-border institutions.<sup>22</sup> Mr Jouyet commented that *“the fact that traders can currently work between different regulators in Europe is an important [reason to adopt this recommendation.]”* He also said, *“We need to build the powers of regulators and ensure they co-operate with each other. There could be joint investigations under the aegis of European financial regulators.”*

Mr Jouyet was sceptical about how the report’s recommendation on credit rating agencies (CRAs) would be implemented: *“Regulating CRAs is more ambiguous. How will they be registered and how will they regulate conflicts of interest, where will the regulation be exerted?”* However, overall Mr Jouyet stated, *“The recommendations should not be watered down, and I hope in June the Euro Council will meet, and I hope it will adopt them concretely.”*

## The impact of the April G-20 summit on global financial regulation

On 2 April 2009, leaders of the G-20 met in London to address the financial crisis. Members broadly welcomed the subsequent G-20 communiqué. Mr Jouyet commented, *“In my opinion, it was a superb communiqué. It was necessary to have a message of confidence, and Europe, the United States and emerging countries sent a single message.”* Members agreed that outcomes had been received positively in their respective home countries. One stated, *“The media reported it as positive, and that helped in the minds of people. They are looking for any sign that things are getting better and any sign that someone is taking charge and doing something.”* Many agreed, however, with the member who said, *“Now the details need to be discussed ... I agree there was good psychological impact, but will they execute?”*

Mr Jouyet noted what he saw as the major outcomes of the summit: *“[The] international financial architecture is better organised, the IMF’s resources were increased hugely to deal with sovereign shocks and to deal with the imbalance between ‘north’ and ‘south’ and to prevent systemic risk, and the Financial Stability Board will be entrusted to ensure macroregulatory and prudential management.”*

<sup>20</sup> Ibid., page 46.

<sup>21</sup> The three authorities it would replace are the Committee of European Banking Supervisors (CEBS), the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and the Committee of European Securities Regulators (CESR).

<sup>22</sup> High-Level Group on Financial Supervision in the EU, *Report*, page 48.

In addition, Mr Jouyet drew members' attention to what he called three new topics addressed by the G-20:

- **Executive remuneration.** Mr Jouyet observed that this is an area in which change in governance is very likely to come: *“If you consider work going on now, you can have some expectations about compensation and the link between compensation and the risks taken by different actors.”* Mr Jouyet added, *“Political decision makers have set out some principles to avoid excessive risk-taking and to avoid systemic risk, by [ensuring] remuneration [packages] lead to cautious behaviour.”* Not all members feel that international political involvement in addressing executive remuneration is appropriate, whether in financial institutions or more broadly. One member remarked, *“I’d like to object to the G-20 statements on excessive remuneration. I agree with the need to make a number of recommendations about remuneration, but the devil is in the details ... We need to be sure we don’t over-regulate.”* Mr Jouyet said, *“As the AMF, we need to see that regulations are sufficient. For example, how should we address stock options in the current environment? We need to protect [companies] from demagogic and political statements [calling on us] to regulate to all levels of compensation. That is not our purpose.”*
- **Regulatory “black holes.”** Mr Jouyet said, *“Offshore centres were brought into the light, and more supervision is required ... The G-20 want better information on industrial companies operating offshore ... There will be prudential control to avoid systemic risks.”*
- **The governance and accountability of accounting standards setters.** Mr Jouyet said, *“There are concerns voiced by the G-20. There needs to be: first, accounting transparency and comparability; second, standards that are adaptable to the situation (for example, in illiquid markets); and third, standards that are adapted to relevant time horizons.”* Mr Jouyet added, *“I want to improve accounting standards’ governance. The standards setters need to work more closely with regulators and the Commission. Accountability needs to be strengthened. That position is not shared by everyone. We don’t want Europe to lag behind the US. The US has made decisions in the last eight days on capital adequacy and the way it deals with liquid assets. The EU has not achieved the same level of governance with the [International Accounting Standards Board]. I deplore that we lag behind the US on this.”* In a separate discussion during the EACLN meeting, members seemed doubtful that efforts to converge accounting standards globally will make significant progress in the short term, given the pressures of the financial crisis. Others said more work is needed to coordinate the efforts of the IASB in Europe and the Financial Accounting Standards Board (FASB) in the US.

Mr Jouyet and members concluded their dialogue acknowledging that in order to address the root causes of the financial crisis, both public company boards and regulators will need to make changes and adapt accordingly. Mr Jouyet said, *“I have left with new ideas ... It was interesting to have an exchange with [board] directors.”*

## Appendix: Biography of Jean-Pierre Jouyet

Jean-Pierre Jouyet is chairman of the Autorité des marchés financiers (AMF), the French securities regulator, a position he has held since 15 December 2008.

From 2007 until taking up the chair at the AMF, Mr Jouyet was the French minister of state responsible for European affairs. From 2005 to 2007, he served as head of the service de l'Inspection générale des finances (the audit department of French public services). Mr Jouyet has also been a long-time lecturer at the École nationale d'administration and, since 2006, a lecturer and a visiting professor at the Paris Institut d'études politiques.

Mr Jouyet was a member of the board of directors of France Telecom from 2006 to 2007 and non-executive chairman of Barclays Bank France in 2005. Since 2006, he has served on the board of the Fondation nationale des sciences politiques.

In addition, Mr Jouyet has served as the president of the Paris Club (2000–2005), ambassador with responsibility for international economic issues at the French Foreign Ministry (2004–5), head of the Agence France Trésor directorate, Ministry for the Economy, Finance and Industry (2000–2004), deputy principal private secretary to the prime minister (1997–2000), partner in the French business law firm Jeantet Associés (1995–97) and deputy principal private secretary (1991–94) and then principal private secretary (1994–95) to the president of the European Commission. Still earlier in his career, he was the principal private secretary to the minister of industry, foreign trade and town and country planning (regional development), then to the minister of industry and town and country planning (regional development) from 1988 to 1991. He has also served as principal at the Service de la législation fiscale at the Ministry for the Economy and Finance, director of studies at the Paris Institut d'études politiques and as auditor at the Agence France Trésor, with special responsibility for the inspection of public finances.

Mr Jouyet has been honorary chairman of the Témoin Club since 1999 and was chairman of the Démocratie Club in 2000.

Mr Jouyet has two recently published books, *N'enterrez pas la France*, with Philippe Mabilie (Editions Robert Laffont, 2007), and most recently, *Une Présidence de crises*, with Sophie Coignard, (Editions Robert Laffont, 2009).

Mr Jouyet was a graduate of the École nationale d'administration, the “Voltaire” year. He was born on 13 February 1954 in Montreuil-sous-Bois (Seine-Saint-Denis).

## About this document

The European Audit Committee Leadership Network is a group of audit committee chairs drawn from leading European companies committed to improving the performance of audit committees and enhancing trust in financial markets. The network is convened by Ernst & Young and orchestrated by Tapestry Networks to access emerging best practices and share insights into issues that dominate the new audit committee environment.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management and their advisers as they endeavour to fulfil their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Anyone who receives *ViewPoints* may share it with those in their own network. The more board members, members of management and advisers who become systematically engaged in this dialogue, the more value will be created for all.

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