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Foreword

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SYMPOSIUM

DO FINANCIAL SUPERMARKETS NEED SUPER REGULATORS?

FOREWORD

Joan G. Wexler

Good Morning. I'm Dean Joan Wexler and I am delighted to welcome all of you to Brooklyn Law School for our conference that poses the question: "Do Financial Supermarkets Need Super Regulators?" I would especially like to thank the *Center for the Study of International Business Law*, and the *Brooklyn Journal of International Law* for sponsoring the conference, and those individuals at the law school who have made the conference possible, in particular, Professors Roberta Karmel and Jim Fanto, Michelle Scotto of the Office of Special Events and Jessica Lubarsky of the *Journal*.

It gives me great pleasure to welcome such a distinguished group of academics, and practitioners to our law school to study and discuss a topic that is an important issue in the law and policy of financial institutional regulation. Today we will consider what is the best model for financial regulation — the single regulator or functional regulation. This question has been raised because financial institutions no longer fit neatly into clear categories such as banks, insurance companies, and investment firms. Indeed, not only might a bank sell insurance products or underwrite securities, but one financial institution might have different divisions or subsidiaries that collectively perform all financial functions. The latter, of course, is the financial supermarket. This business development raises a key policy question: what is the appropriate kind of financial regulation in the new environment? Should one have a super regulator that oversees all kinds of financial businesses, or should a government maintain separate regulators for each kind of financial business, perhaps with enhanced cooperation among them? This inquiry is not just an academic one because some countries have already settled upon different approaches. For example, the United Kingdom has consolidated all financial regulation into a new, single government agency: the Financial

Services Authority. And other European countries have either also done so or are considering adopting such a model. With the passage of the Gramm-Leach-Bliley Act, the United States has chosen functional regulation — so that financial institutions can undertake a variety of financial services businesses and there remain, as you know, separate financial regulators. Today's theoretical discussion about what might we best do, what is the best approach, will thus be complimented by reflecting upon the preliminary experience and data that we already have regarding different models of regulation.

Over the years, our *Center for the Study of International Business Law* has sponsored conferences on current topics of international business. These conferences have produced lively debates here, and important scholarly contributions for our journals and I know that this morning's conference promises to continue that tradition. Once again, I welcome you and I want to let you get down to the work of the day.