

Jean-Pierre MATTOU

It's a great pleasure for me to be in Greece today and to open this conference organized by the new presidency of the AEDBF.

Our association is flourishing. Year after year, country after country, it continues to grow and to diversify its membership and activities.

We are meeting during a very troubled period. It is very important to reflect on the legal aspects of this grave – and in some ways incredible – crisis. I believe that we in Europe will find a satisfactory solution. Although I don't believe that lawyers will be the prime movers in finding that solution, I doubt that it will be found without their help.

Since Montesquieu, we know that it is better to apply existing laws well than to make new ones. Nevertheless, although in all countries the banking and financial industry is one of the most regulated, nationally and internationally, I believe that a significant reshuffling of the financial-sector supervision and regulation is unavoidable.

We all need solid banks. Banks are the place where people put their money; we can be very severe toward unreasonable and cupid bankers, but at the end of the day all the States must protect their banks.

When a bank is in bad shape, it's very difficult to cure the situation. The reason is very simple: banking is based on confidence and people don't trust fragile banks. A procedure like the notorious U.S. Chapter XI is not, in my opinion, appropriate for banks.

This is exactly why we need to prevent and to avoid difficulties for the banking industry by reinforcing its strength.

Even if we agree on this basic principle, we'll have a lot of major questions to answer, such as these:

- Should we continue to locate supervisory authority in the individual countries where a bank has its principal operations, or do we need a centralised supervision?
- If we adopt centralized supervision, should it apply generally to all the banks or only to the so-called "systemic banks"?
- Do we need to change the supervisory system only for the banks in the euro zone, or for all banks in the European Union?
- Are solvency and liquidity the only two main criteria for analysing the financial situation of banks?
- When banks need to be rescued, is it really possible to avoid state intervention, and how do we reconcile state aid and competition law?

It will be for our distinguished panellists to try to help us leave this room with some answers.