



## **Opening remarks by Greg Medcraft, Board Chairman**

### **International Organization of Securities Commissions**

**Wednesday 17 June 2015, London**

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#### **Introduction**

Thank you Martin for your kind introduction.

I'd like to thank you and your staff at the FCA for the fantastic way in which you have organised what has been a very exciting and stimulating event in one of the leading – if not the leading global financial centre.

I would like to take this opportunity to reflect on IOSCO's role and contribution to global securities regulation in the last year and to provide some thinking around what I see as the priorities for the coming year.

This conference – in particular – will draw together a number of what I see as the most important themes and challenges we – as securities regulators – face.

#### **IOSCO in the Last Year**

I'd like to make some points about where IOSCO has been in the last year.

This year has, again, been one of considerable achievement for IOSCO.

- We have done good work on policy, implementation monitoring and capacity building projects.
- We have also finalised our Strategic Direction to 2020 which we have submitted to the Presidents' Committee for final approval this week.

I think we can now rightly describe ourselves as the key global reference point for securities regulation.

I want to thank David and the General Secretariat for their important contribution to this journey. They have worked tirelessly with the Management Team and the Board to drive a number of important initiatives to build a more inclusive and representative organisation.

Together we have done much to identify **emerging risks** – touching on corporate governance and the impact of digital disruption at our recent Board meetings.

We have progressed a **policy agenda** with a strong focus on supporting initiatives intended to engender trust and confidence in the markets we regulate – touching on areas as diverse as audit quality, cyber resilience, capital market financing of SMEs and cross border regulation.

Importantly we published a report on Credible Deterrence this week. The report identifies the core elements of a credible deterrence framework including strategies and good practices, and responds to the public demand for tougher sanctions to deter market misconduct.

We have undertaken a number of **implementation monitoring** reviews through the Assessment Committee, covering implementation of IOSCO guidance in a range of areas (including financial benchmarks, Money Market Funds and Securitisation). We will also shortly publish our first Country Review - of Pakistan.

We have also focussed on **capacity building** by progressing our thinking on regional capacity building hubs. We have launched a Global Secondment Register and are designing online training programs and developing a program of training seminars to be rolled out next year.

We now also have 105 **members signed up to the MMoU**.

Our voice in FSB Committees has also strengthened as the FSB – and the G20 together – have increased their focus on the markets we regulate and on emerging markets in particular.

We now have more markets representatives on each of the FSB's Standing Committees. We have worked to ensure we have a stronger and better co-ordinated voice at all levels from the Plenary to Standing Committees.

Our aim has been to use our voice to ensure each Committee has a better understanding of these markets and the approaches we as market regulators take.

We have also supported the G20 Agenda on economic growth with our report on Market-Based Long-Term Financing Solutions for SMEs and Infrastructure being well received.

And finally, we have now agreed a Strategic Direction to 2020.

We have agreed our goal for the next 5 years will be to reinforce our position as key reference point for securities regulation – by building on our work over the last 5 years and intensifying our efforts in each of our programs.

The Direction is supported by Action Plans covering our research work, our standard setting and implementation monitoring work, our capacity building and co-operation

work and importantly the way we engage with our stakeholders and with other international organisations.

The Plans to 2020 are, in turn, supported by realistic resourcing and funding plans.

## **The Way Forward**

I want now to turn to what I see as the challenges we face and what I see as our priorities for the coming year.

These are very much aligned with the themes of this conference.

Our challenge for the coming year will be to build on the changes and the good work of the past year.

Our objective should continue to be working to ensure the markets we regulate perform their fundamental purpose – funding the real economy and driving economic growth globally.

We should also be working toward what I see as a longer term objective of globally integrated capital markets. These are -

- Markets which support the free flow of capital around the world;
- Markets which have the trust and confidence of issuers and investors;
- Markets which issuers and investors can access wherever they are – be they in New York, London, Johannesburg, Beijing, Mumbai or Jakarta
- Markets which have the trust and confidence

We will continue to face challenges in delivering on these objectives – a number of which I touched on last year.

They include the increased pace of globalisation, the growth of market based finance, ongoing innovation-driven complexity in products, markets and technology and finally – but very importantly – digitally driven disruption of business models in the markets we regulate.

So, given our objectives and these challenges, what should our priorities be?

I see three very clear priorities.

The **first** will be paying close attention to the challenges and opportunities of technological innovation and digital disruption. We need to stay on top of these issues if IOSCO and our members are to remain ahead of the game.

The **second** is continuing to have a strong voice at the FSB and in other forums in developing approaches to market based finance. We must ensure our expertise and our experience not only informs, but is the basis for any work done in these areas.

The **third** – and I think most important – is prioritising our capacity building work. This work will benefit all IOSCO members – whether from developed or from growth and emerging markets. It will help build a level regulatory playing field across global markets and so reduce regulatory barriers to cross border activity.

I look forward to participating in discussions over the next few days on these and other topics.

Before I finish, I want to recognise the enormous contribution David Wright has made to IOSCO as Secretary-General.

As many of you will be aware David will be retiring in the New Year. This will be his last Annual Conference.

Under David's leadership of the Secretariat, IOSCO has changed for the better.

- We have a significantly higher profile among our key stakeholders.
- David has driven important policy initiatives – with his advocacy of our work credible deterrence a great example.
- He has ensured that we focus on understanding and assessing emerging risks – with our Board Round Tables an important innovation he has made happen.
- He has had a passionate commitment through his term to capacity building.
- He has worked tirelessly to build and resource the Secretariat.
- He has provided unerring support to our members, the Board, the Management Team and to me.

So, David we and our members are in a far, far better place because of you and your considerable efforts. For this we are deeply appreciative. Thank You.