During 2004, the permanent premises of the Secretariat were officially opened in Madrid by His Royal Highness, Don Felipe de Borbón, Prince of Asturias. The impressive official ceremony, which took place in February, was attended by several officials of the Spanish Government, including Rodrigo de Rato, as well as representatives of numerous IOSCO members.

The official opening of the General Secretariat premises marked the culmination in a process which commenced some years ago in May 1999 when the IOSCO Presidents Committee resolved to accept a proposal from the Spanish Authorities to locate permanent premises of the Organization in Madrid. The new premises contain excellent meeting facilities and have enabled the General Secretariat to undertake an expanded role in hosting an increasing number of committee meetings.

During the first half of the year, the General Secretariat was actively involved in the preparation of several important meetings including the Executive Committee, Technical Committee and EMC Advisory Board which all met in Madrid in February 2004 in conjunction with the official opening of the premises.

The Annual Conference, which took place in Amman Jordan in May 2004, was an outstanding success with more than 500 delegates in attendance from all over the world as well as many participants from the global financial services industry.

The Amman Annual Conference was particularly noteworthy for the focus it brought to bear on issues relating to the strengthening of securities markets against financial fraud. This followed the formation earlier in the year of a special Technical Committee task force to carry out an in-depth examination of this issue which reflected part of IOSCO’s response to a number of high profile corporate collapses.

The Annual Conference also focused on a range of topical issues in the public panel discussions including the regulation of collective investment schemes; public oversight of accounting and auditing standards; securities market price formation mechanisms and mergers, demutualization and governance of securities exchanges.
During the second half of the year the General Secretariat was again involved in the preparations of the Executive Committee, Technical Committee and the EMC Advisory Board meetings, which took place in Montreal in October 2004.

This was followed by the inaugural Technical Committee Conference, which was held in New York from 27 to 29 October 2004. This Conference, which was the first of its kind, enabled more than 200 participants from the global financial services market and securities sector to come together and engage in an extensive, in-depth dialogue regarding critical matters facing the securities sector.

The TC Conference was organized around a series of high profile discussions including the changing role of stock exchanges; the rights of shareholders; cross border enforcement practices; and the impact of evolving technology on the work regulators. The lessons learnt from this inaugural TC Conference have been instrumental for the preparations that would be necessary in the hosting of future such events.

During 2004 the General Secretariat continued to give a high priority to the implementation of the *IOSCO Objectives and Principles of Securities Regulation*. These regulatory principles are a focal point for IOSCO. The General Secretariat has been assisting members to assess the level of implementation of the Principles in their respective jurisdictions. This was done particularly via the Pilot *IOSCO Principles Assessment and Implementation Program* (Pilot Program), which was launched in early 2004 to assist Emerging Markets Committee members in achieving full implementation of the Principles.

During 2004, the members from Turkey, El Salvador and Thailand participated in the Pilot Program and already the benefits of their participation are being demonstrated. In the years ahead it is anticipated that many more jurisdictions will also gain from their participation in an expanded version of this program. I would like to particularly thank the various technical experts whose participation and assistance in the Pilot Program has proven invaluable.

Towards the end of the year, the General Secretariat was again actively involved in hosting the Seminar Training Program (STP) which is increasingly becoming an important and integral part of the annual agenda for IOSCO. This year the focus was on the concrete sharing of the valuable experience gathered by those members who have been part of the Pilot Program through case study presentations and analysis.

The 2004 STP also included presentations from the World Bank and the Toronto Centre
whose programs are aimed at improving financial system structures and processes. Overall, the STP proved to be extremely worthwhile with more than 50 delegates from 30 agencies. Such a high level of active participation continues to demonstrate the ongoing importance of the training program to members.

The General Secretariat also continues to be directly involved in the implementation of the IOSCO MOU. It is evident that the IOSCO MOU represents a key instrument to facilitate and expand cross-border enforcement related cooperation and exchange of information among securities regulators. In particular, the General Secretariat has supported the screening procedures, which involve a review of the applications as a preliminary step before a member becomes a signatory to the MOU. The General Secretariat also liaises with the relevant committees and ensures the smooth and fair functioning of the process.

Since the endorsement of the IOSCO MOU by the Presidents Committee in May 2002, the General Secretariat has received more than 50 applications from IOSCO members. By the close of 2004, a total of 26 members had become signatories and another four had signed up to Annex B. Already it is evident that the IOSCO MOU is proving to be an invaluable source of assistance to members conducting international enforcement related investigations.

IOSCO continues to place a high priority on the strengthening of cooperative links with other international financial regulators. In particular, considerable efforts have been directed into our active participation within the Joint Forum, whose parent bodies are IOSCO, the Basel Committee on Banking Supervision, and the International Association of Insurance Supervisors (IAIS).

Cooperation is also continuing within the Financial Stability Forum, with the Financial Action Task Force (FATF) and with other international financial institutions such as the World Bank and the IMF. It has been particularly pleasing this year to see how these financial institutions regularly use the IOSCO Principles within the framework of their Financial Assessment Sector Program (FSAP).

An additional three new members joined the organization during the year: the Jakarta Stock Exchange of Indonesia, the Karachi Stock Exchange of Pakistan and the Taiwan Futures Exchange of Chinese Taipei. This brought the total membership of IOSCO to 174 members. The comprehensive extent of IOSCO’s membership clearly demonstrates that it truly represents the international community of securities regulators and that it is the international standard setter for securities markets.

Throughout the year, the General Secretariat played a more active part in the numerous Standing Committee and Working Group meetings that took place as well as in training and technical support to members. External communications were strengthened with the appointment of a Public Affairs Officer which has resulted in an increasing level of awareness of IOSCO activities and a raising of the Organization’s international profile.

Finally, I would like to thank all the staff of the General Secretariat for their extraordinary efforts throughout what proved to be a remarkably challenging year. Although it is a small team, the commitment, dedication and professionalism of the General Secretariat staff has tremendously helped the Organization and its members in achieving critical objectives for the benefit of the international financial community.

Philippe Richard
Secretary General