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Plenary 3

**Market and Information Access for the Investor
in the Internet Age**

*11. Market and Information Access for the Investor in the Internet Age,
Introduction by Mr. Andrew Sheng
Chairman of the Securities and Futures Commission of Hong Kong*

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Market and Information Access for the Investor in the Internet Age

Wednesday, 27 June 2001, 1545-1715

Introduction by Moderator

1. Accurate and timely information is a market fundamental
2. This involves the quality of information and the timeliness of information
3. Quality of information depends on:
 - (a) accounting standards;
 - (b) release of relevant information; and
 - (c) conflict of interest of “pusher” or provider of information.
4. Timeliness of information depends on:
 - (a) accounting standards;
 - (b) release of relevant information; and
5. Suitability for investors – can receiver of information (i.e. investors) understand too much or complex information disclosed?

All these are related to Regulation FD.

However, just as intractable or perhaps more intractable are issues about how the investor can really navigate and identify relevant information from the vast of information available through the media. The debate regarding Regulation FD has been premised on two major issues. One is the fundamental concept that all investors – whatever their degree of sophistication – should have the same access to information from the company as the analyst. The other is market

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confidence – the fact that analysts have access to selective information also questions the degree of independence they have in promulgating recommendations.

The question of the independence of analysts has been hotly debated recently, with codes of conduct springing up or being developed by associations such as the US SIA and the Association for Investment Management and Research. With the reduced reliability or credibility of these analysts, increasingly, therefore, personal investors will probably look to retrieve other sources of information available through the media.

Information as such has become merchandise, which raises the following questions:

- Do investors get satisfying information?
- Do media provide accurate information?
- How can accounting information and annual reports be used?

These questions will be addressed by today's distinguished speakers :

- **Richard Lambert**

Mr Lambert has been the editor-in-chief of the Financial Times since 1991. In 1997-98, he moved to US to spearhead the launch of the US edition of the FT. Outside the FT, Richard is a member of the UK-China Forum.

- **Jose Luis Osorio**

Mr Osorio is the Chairman of the Securities and Exchange Commission of Brazil. Prior to that, Mr Osorio has extensive experience in commercial banks and investment banks in Brazil as well as in the US.

- **Pehr G Gyllenhammar**

Mr Gyllenhammar is the Chairman of the CGNU plc. He is also the Managing Director of Lazards, Chairman of Reuters Founders Share Company Ltd and a NED of Lagardere SCA.