



*Public Documents
of the XXVIIth Annual Conference of
the International Organization of
Securities Commissions*

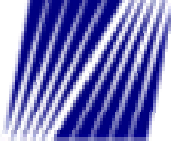
(IOSCO)

18 – 24 May, 2002, Istanbul, Turkey

Opening Ceremony

- 1. Welcoming Speech by Dr. Dogan Cansizlar
Chairman of the IOSCO Presidents' Committee
and
Chairman of the Capital Markets Board of Turkey*

22 May 2002



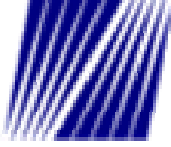
**DR. DOĐAN CANSIZLAR - CHAIRMAN
CAPITAL MARKETS BOARD OF TURKEY (CMB)
WELCOMING SPEECH**

Main Theme: “Globalization - Opportunities and Challenges”

The Honorable Minister(s),
International Organization of Securities Commissions (IOSCO) members,
Delegates of the Press,
Ladies and Gentlemen,

As the Chairman of the Capital Markets Board of Turkey, I am delighted to welcome you to the 27th Annual Conference of the International Organization of Securities Commissions (IOSCO). I hope that this conference will be a fruitful one to remember and I wish you all a very pleasant stay here in Istanbul.

The Capital Markets Board (CMB) has been an ordinary member of the International Organization of Securities Commissions (IOSCO) since 1988 and is working in accordance with the principles of the International Organization of Securities Commissions (IOSCO) and European Union (EU) standards as mentioned in the European Union (EU) “2001 Regular Report on Turkey’s Progress Toward Accession”. The Capital Markets Board of Turkey (CMB) attaches great significance to the mission of the International Organization of Securities Commissions (IOSCO), namely, to create common standards in the regulation and supervision of global financial markets through international cooperation and exchange of information.



It's a great honor for me to have the privilege of hosting this conference. This year's conference will be attended by 447 delegates from across 88 countries yet another indication of the truly global nature of our conference. With all our efforts and work in putting together this conference, we hope this occasion will serve as a useful forum for all participants.

The main theme of this year's annual conference is "Globalization - Opportunities and Challenges". Our reason for selecting this topic is due to the social, political and economic impacts of globalization in the last two decades.

In this year's conference, we will discuss globalization in relation to its effects on financial markets. Starting from today, there will be five panels each focusing on a different aspect of globalization from a financial market standpoint.

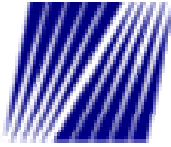
Our first panel will discuss Regulation and Supervision in the Context of a Global Financial Environment.

This will be followed by our second panel – Misconduct Across Jurisdictions: The Enforcement Challenge.

Our third panel will focus on Global Portfolio Investments: Opportunities and Barriers in Emerging Markets.

Following this, our fourth panel will elaborate in detail about the Securities Analysts' Role.

Finally, our fifth panel will discuss the issue of Corporate Governance in the age of the global economy.

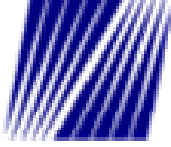


During these panels we will have the valuable views of distinguished international speakers from the financial community across the world. This will provide us with the opportunity to discuss key important developments in the new global financial system and their impact on investors, analysts and corporations as well as regulatory authorities. I believe that these discussions will be very helpful in shaping the future of the global financial system by promoting efficiency and transparency. I would like to express my sincere thanks to all the speakers who will be sharing their views with us on the themes to be discussed.

Globalization is with us to stay and is becoming more predominant with every year that passes. It comprises a sophisticated combination of a new world trade order, reduced trade barriers, liberalized markets, economic interdependence and round-the-clock capital markets. It includes the international reorganization of production, the interpenetration of industries across borders and the spread of financial markets.

There have been important changes and developments in the financial services industry in the last decade due to the improvement in information technology and increasing competition. Financial firms diversified and extended their operations beyond borders in this new competitive world. This more competitive and complex financial environment brought up new risks for firms, markets and regulators.

In order to deal with these risks, regulatory authorities, law enforcement authorities and other relevant authorities from all jurisdictions need to develop high level of standards for information sharing. This will also help to investigate the new nature of financial crimes in an efficient and effective way.

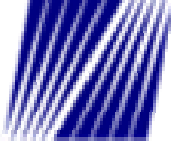


Moreover, the global nature of financial operations has dramatically increased international diversification of portfolio investments and cross border capital flows. In this context, investing in emerging markets where high returns are associated with high risks has become an attractive investment alternative. Dealing with this complex risk and return structure in a global context requires special knowledge and expertise that will enable the use of sophisticated financial products.

The development of these sophisticated financial products and the rise in the volume of cross border transactions have increased the importance of securities analysts' role, especially within the investment-banking arena. Their role is accordingly becoming more diverse and yet more significant to global investors. Analyzing default risks faced by these investors and providing tailor made structured products to meet their specific needs are some of the various important tasks faced by a securities analyst within today's global financial markets.

Due to the progression in information technology and the ability to trade electronically, the movement of capital across borders has become easier and has increased. In such an environment, collective investment institutions have become major equity holders in many corporations in various countries. This trend has increased the importance of both corporate governance principles in an international context and also the role of institutional investors in the process of corporate governance.

In order to adapt to this new financial environment, the legal and institutional framework need to enable the improvement of governance systems. A strong governance system must ensure that timely and accurate disclosure and transparency is made on all material matters regarding the corporation. These matters consist of the financial situation, performance and ownership of the



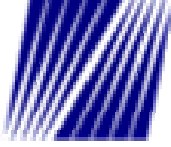
corporation, and the equitable treatment of all shareholders including minority and foreign shareholders.

In addition to globalization's effects on regulatory authorities, financial institutions and corporations, globalization can be a powerful source of rapid economic growth for a developing nation by integrating itself into the world economy. In order for developing countries to take advantage of trading opportunities, they must create an adequate infrastructure such as transport, communications and regulatory framework.

Even though globalization brings significant progress in terms of efficiency, productivity, scientific and technological advancement, cultural exchange and the development of financial markets, it can have certain adverse effects. One of the challenges facing us today is how to deal with the destabilizing volatility of massive short-term capital flows without simultaneously destroying financial markets, especially within the emerging market context.

From an emerging market standpoint, the most effective policy to overcome the fragility of local financial markets is to undertake reforms that will restructure the banking and financial sectors, operate under rules of genuine transparency, and reinforce an institutional framework that supports open markets. These local reforms would be most successful when implemented in tandem with global reforms. At this point I would like to remind that, in an increasingly integrated world, the resilience of the global economy is only as strong as the weakest of its components.

As you are all well aware of, last year was a very important and tough year for Turkey. Turkey has overcome two major economic crises, one in November 2000 and the other in February 2001. However, despite these crises, capital



market institutions experienced almost no financial distress in contrast to other sectors of the economy that were severely hit by the crises.

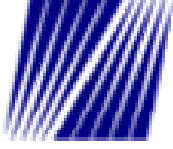
I believe that our work in accordance with the principles of the International Organization of Securities Commissions (IOSCO) and European Union (EU) standards contributed to the success of capital markets in Turkey during the crises period. Moreover, the Capital Markets Board of Turkey had applied tight control and enforcement procedures over capital markets.

Due to the successful implementation of appropriate fiscal and monetary measures as well as the structural reforms that have taken place, there have been improvements in the macroeconomic indicators of Turkish economy. As a result, currently the capital markets in Turkey has regained stability and confidence and is therefore attracting investors from all over the world again. We are expecting lots of buoyant activity this year and in the forthcoming years due to the positive economic environment. Without any doubt, a stable and healthy economic environment is the most important competitive factor for emerging countries in today's global financial system.

I hope that this conference will help all of us to create a global financial structure that is robust to crises.

I would like to thank all participants from all around the world for being here with us at this 27th Annual IOSCO Conference.

Last but not least, let me take this opportunity to thank our main sponsor the Istanbul Stock Exchange, and other sponsors for their valuable contributions.



*Opening Ceremony
Dr. Dođan Cansızlar*



It is a great honor for us to announce that the Minister of State in charge of the economy, Dr. Kemal Derviş will now make the opening speech of the public part of the conference.

Thank you very much.