



28th ANNUAL CONFERENCE
of the International Organization of Securities Commissions
14~17 October 2003, Seoul Korea



Opening Ceremony

Mr. David Knott

Chairman of the IOSCO Technical Committee
Chairman of the Australian Securities and
Investments Commission

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Distinguished Guests, Ladies and Gentlemen.

Thirty years ago the American civil rights leader, Martin Luther King, Jr, inspired the world with his dream for justice and equality. He was one of those rare leaders who through the power of his rhetoric and the nobility of his ideas changed the destiny of his people.

Such heroic achievement is beyond the grasp of most. As regulators, we are tasked to manage highly specialised and technical problems, absorbed in a world that seems arcane and remote to most outsiders.

In times of widespread political discord, of military conflict and terrorism, we might ourselves be forgiven for questioning the relevance of our work to the great issues of our times – to ask whether we are making any difference in the face of the imminent danger and violence that confronts so much of the world.

The answer to that question lies in the dreams of Martin Luther King and others like him. It is the legacy of our great moral leaders, together with our poets, writers, musicians and artists, that attests to the enduring supremacy of civilised values.

They give us good reason for confidence.

Confidence that those values will survive against current threats as they have done time and again.

Confidence that the inspiration of leaders will be given meaning and life by the daily work of honourable men and women from countless nations and callings.

Confidence in our own membership of that honourable society and of our place of influence within it.

And confidence that the painstaking, detailed work that we undertake today is reinforcing the durability and the fairness of a social framework worthy to be called civilised.

In the two short years since ENRON, IOSCO has seized its rightful place as the undisputed international authority on corporate and securities regulation.

The formation of the Financial Stability Forum in the aftermath of the Asian financial crisis reflected, through its membership, a version of systemic risk heavily oriented to the sphere of central bankers and finance ministries.

ENRON unleashed a somewhat different notion of systemic risk, revealing the capacity of accounting, audit and corporate governance issues to impact well beyond the confines of individual institutions. These were risks less familiar to the Forum, which turned to IOSCO for guidance. We responded in a manner that reflects an international organisation of increased influence and stature.

Five separate projects have been completed through the intensive collaboration of our membership, including active participation of member Chairs. This level of commitment and the quality of the resulting papers has been well noted by the Forum, by Governments and by our peer group international regulators.

We do not claim that these works are in themselves momentous. But the adoption and observance of the principles espoused in them will advance transparency and fair dealing in our markets and strengthen the foundations for tomorrow's prosperity. It may be only a small part of a dream, but an important part nonetheless.

For those who dream of a world that shares its resources and wealth more equitably, the future holds more promise than the past. Over the last 20 years the developing world's share of World Gross Domestic Product has risen by only 1%. Over the next 20 years that is expected to increase by a further 7%, reaching more than one-third of World GDP for the first time.

Here lies a further magnificent opportunity for IOSCO. To harness our diversity, our experience, and our skills, across the continents of our membership, to ensure that this growth is underpinned by sustainable institutional and values frameworks. The measures already undertaken by IOSCO, as described by my distinguished colleagues Fernando Teixeira dos Santos and Dogan Cansizlar, are directly relevant to this great cause. We are challenged to be constantly reminded that it is indeed a great cause and to manage it more with vision than with caution or suspicion. We need to focus on sustainability of frameworks, not excessive or inflexible conformity of frameworks. Not all houses need look identical; but all must have sound foundations.

We are fortunate to gather together in this ancient land of Korea to reflect upon these issues. This land has survived many periods of hardship during which its people have called upon centuries of accumulated cultural wisdom and tenacity of character. What better symbolism could there be for this conference than the Yin and Yang embodied on the national flag, by which the struggle of opposites achieves a state of harmonious cooperation? I add my thanks to our hosts for their most gracious and extensive hospitality and for the generous way in which we have been welcomed to Korea.

As this is my final IOSCO meeting I also wish to acknowledge the pleasure I have derived from my association with you all and the honour it has been to Chair the Technical Committee. I am deeply grateful to Mr Andrew Sheng, Chairman of the Hong Kong Securities and Futures Commission, for agreeing to take over that responsibility pending next year's meeting in Amman. He will do an outstanding job.

I hope that IOSCO will long remain a forum for good people to combine dreams with positive actions in promotion of the public interest.

As Rudyard Kipling said in his great poem "If":

*"If you can dream –and not make dreams your master..
Yours is the Earth and everything that's in it."*