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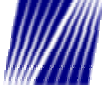
Amman - Jordan, 17-20 May 2004

Opening Ceremony

Dr. Dogan Cansizlar

Chairman of the IOSCO Emerging Markets Committee
Chairman of the Capital Markets Board of Turkey

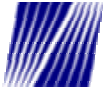
19 May 2004



Dr. Dođan CANSIZLAR
Chairman of the Capital Markets Board of Turkey
Chairman of the IOISCO Emerging Markets Committee

IOISCO 29th ANNUAL CONFERENCE
OPENING CEREMONY

19 May 2004, Amman
12:30-13:30



**Good Afternoon His Majesty King Abdullah,
IOSCO Members,
Distinguished Guests,**

It is a great honour and pleasure for me to be here with you today in Amman for the 29th IOSCO Annual Conference. I would like to take this opportunity to express my warmest thanks to the Jordanian Securities Commission for their kind hospitality and I would also like to congratulate them for the organization of this year's Conference. I strongly feel that all participants will enjoy this year's valuable and fruitful Conference and I hope this event will be yet another memorable Conference for all distinguished participants.

Ladies and Gentlemen,

The global markets had a great year in 2003. Global economic growth has been vigorous in 2003. As a result, investor confidence was very high. Stock markets were up almost in all developed and developing countries. 2003 was especially a good year for emerging markets too. But 2003 had its fair share of corporate scandals and securities frauds. Nevertheless, these incidents did not have an important effect on the global capital markets and gone unnoticed as a result of increased investor confidence in the global economy and markets. On the other hand in the recent weeks there are signs of a shift in the global financial markets and the future may not be as good as 2003. Apart from the developments coming from financial markets, there are other factors that

may effect this optimistic situation. Particularly, in case that increasing oil prices last longer, it may well be perceived as a threat for the economic growth of most emerging market economies. This may have adverse effects on securities markets as well. Therefore, we cannot underestimate the probability that securities regulators may feel the need to be more vigilant in the following period upon adverse developments.

On the other hand, we are still having the reflections of corporate scandals of 2002. These scandals taught us to reconsider international standards on auditing and accounting. Since then, particularly international organizations as well as domestic regulators have been taking robust initiatives and febrile activity by means of reviewing and reconsidering internationally accepted principles of auditing, supervision of auditors and accounting. In this regard IOSCO continuously makes highly valuable contributions to these developments.

Some financial and real factors observed in the first half of 2004 raised vigilance about our optimism. Among them, signals from central banks to increase interest rates, increase in oil prices, recent high profile corporate scandal this time from Europe and geopolitical tensions and possible terrorist activities reminded us that the optimism should be in fact “cautious optimism”. As regulators of the financial sector in emerging markets, it is our task to make a comprehensive and healthy analysis of the driving factors of 2003 and then estimate our role within this composition.

Ladies and Gentlemen,

There is no doubt that we live in a world dominated by the improvements in technology and new horizons in globalization. Technology and globalization continue to pull down old market structures and create virtual ones that span continents. In today's financial markets national boundaries have become blurred. Investors are able to buy securities anywhere in the world around the clock and corporations are able to list their stocks in other countries. Investors' capability and desire to invest anywhere in the world brings new challenges for regulators.

The increased use of internet technology and ability to move funds from one destination to another in seconds by touching a keyboard have brought high volumes of cross border activities. As a result of increased cross border activities, financial crimes such as money laundering and terrorism financing became major issues for both regulators and governments.

The most important tool for combating financial crimes, especially international crimes is the cooperation among regulators. IOSCO Multilateral Memorandum of Understanding adopted by the Executive Committee in 2002 in Istanbul recognizes the importance of cooperation between securities regulators. I strongly urge IOSCO members to apply to become a signatory to the IOSCO MMoU.

In today's globalized world, the toughest challenges we face mostly have international dimensions. Considering that emerging markets have insufficient domestic savings and funds, they are in deep need of attracting foreign capital. The need for attracting foreign capital has underlined the importance of international standards in areas such as

good governance, accounting and auditing standards and cooperation and the exchange of information among jurisdictions.

Good corporate governance is very crucial for the development of robust, efficient, fair and well-regulated securities markets. It increases investor confidence and the attractiveness of a country in terms of inward investment and also the efficiency and the effectiveness of capital markets in the service of the real economy.

In this regard, IOSCO has done a great job by passing on a resolution to recommend its members to adopt corporate governance principles in their legislations, regulations or codes of good practices, using the OECD Principles of Corporate Governance as a benchmark or guide. In the following years, I believe that regulators should continue to study on the issue of implementation and promotion of good corporate governance principles in their respective jurisdictions.

Another important issue in combating financial crimes is the transparency which is also the main component of investor confidence. In terms of transparency, in addition to corporate governance, accounting and auditing standards play an important role. Regulators work very hard for harmonizing national standards with international standards. The convergence of accounting and auditing standards is of utmost importance for the investors in comparing financial statements of corporations located in different jurisdictions. I can say that there have been significant global efforts for improving the accounting regulations and practices in order to provide reliable financial statements everywhere.

Ladies and Gentlemen,

Within today's context of globalization and technological improvements, global financial system is like a chain and it seems to be as strong as the weakest link. In order to maintain healthy global financial system, both developed and developing country securities regulators should increase their awareness in this regard through adequate diagnosis and prescriptions.

As for emerging markets, it is a fact that emerging markets are in a relatively vulnerable condition in the financial world, and it is a serious requirement for them to detect their vulnerabilities, carefully analyze the outcomes and prepare and follow a highly sophisticated action plan to make up their shortcomings. Among these shortcomings or problems that we face, the emerging markets economies have shown a lack of strong regulatory framework. From a macro perspective, it is encouraging to see that there is serious tendency of the regulatory environment of securities markets being harmonized with the international standards. But, there are still measures needed to be taken to maintain investor confidence, to reduce systemic risk and to ensure fair, efficient and transparent markets which are the key objectives of the IOSCO in creating a competitive environment, free of all distortions.

In the area of securities markets, IOSCO Methodology for Assessing the Implementation of Objectives and Principles of Securities Regulation is a valuable tool in this regard.

Another problem that emerging markets are facing is the need for further enhanced training.

Regional Training Seminars are best candidates as a response to the training needs and transfer of expertise of emerging markets and I am happy to pronounce that IOSCO, both with its organizational capacity and its rich expert inventory, has taken another prominent step for the benefit of emerging markets.

The last subject I would like to mention is that companies in emerging markets still rely on banking and rarely prefer securities markets in financing their investments. Governments and regulatory institutions have adopted a variety of measures to foster the development of securities markets. Among such measures the provision of tax incentives has proved to be an efficient way to encourage investment and financing in the securities markets. However beyond such pecuniary incentives, it is evident that market participants, especially investors, still need more education in order to better understand the securities markets. I think that one of the most important challenges for developing securities markets can be identified as creating the culture of public ownership by intensive investor education programs. In this regard, I believe training programs within IOSCO will provide great support for overcoming this problem.

Ladies and Gentlemen,

I have expressed my opinions on the challenges for securities markets and regulators in the view of recent developments. Obviously financial markets will experience unforeseen events in the times to come; however, we need to make sure that we are all well equipped with the necessary tools in order to help combat any adverse effects that may arise in an environment with imperfect market conditions. I am sure that

the set of panels to be held here will contribute a lot to achieving this purpose.

With regards to the public panels, let me extend my appreciation for this year's topics. I believe these lively topics on regulation of CIS, accounting and auditing, price information, demutualization and I guess the panel will be very interesting because of illuminating high profile recent developments and issues.

Once again, it has been a great honor for me to be a part of this organization and to serve as Chairman of the Emerging Markets Committee of IOSCO.

I wish you all a pleasant conference. Thank you.