



Opening Ceremony

Dr. Dođan Cansizlar

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

6 April 2005

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

IOSCO 30th ANNUAL CONFERENCE OPENING
CEREMONY

6 April 2005, Colombo 14:00 -15:30

Good Afternoon, Honorable Minister, Distinguished Members of IOSCO, Distinguished Guests,

It is great honor and pleasure for me to be here in this very beautiful city/Colombo for the opening of 30th Annual Conference of IOSCO. On behalf of EMC I would like to take this opportunity to express my warmest thanks to the Securities Commission of Sri Lanka for their kind hospitality and I would also like to congratulate them for the organization of this year's Conference. I guess all participants will enjoy this year's Conference and this event will be yet another memorable event.

Ladies and Gentlemen,

Corporate scandals and financial disasters have occupied a considerable vast portion of our concerns since 2002. But 2005 came up with another disaster that many of us had never thought about.

I would like to express my deepest condolences for those brothers and sisters who lost their lives during the South Asia Disaster that heavily hit Sri Lanka among others in late 2004. And I wish endless endurance for the relatives of those who lost their lives.

Ladies and Gentlemen,

The world economy has showed significant growth performance during the past year. The favorable financing conditions that prevailed through most of 2004 enabled emerging market borrowers to raise substantial

amounts in international debt securities markets at lower interest rates at ever longer maturities. In the light of these factors, 2004 has been a candidate for being a peak year in terms of the economic and financial performance of emerging market countries.

Looking ahead, potential risks such as the increase of interest rates in developed countries, raising oil prices and adverse developments in geopolitical area may stand as a challenge against sustainable stability of emerging markets.

Ladies and Gentlemen,

The force towards convergence of global regulatory standards and practices as well as greater transparency, disclosure, cooperation and exchange of information increasingly continued during 2004, this in turn made the role of IOSCO increasingly important as an international standard setter in securities area.

Ladies and Gentlemen,

Globalization is increasing interdependence among nations and we are running towards being globally fully interdependent.

Now, it is broadly connoted that key regulatory challenges of today and tomorrow will be global in nature and questions that we the regulators are facing on national level will ultimately be an international level challenge. How is it possible to guard against systemic risk in globally integrated market place? How shall we as national regulators prevent fraud and enforce rules on insider trading and market manipulation?

What are the means of providing transparency for those trades that take place around the globe and enforce our national legislations?

Global challenges should be treated through global prescriptions albeit domestic qualifications should not be neglected but exploited to the fullest degree. Therefore being the residents of this global village, what we have to do is, recognizing and reflecting the importance of global standards and eliminating the drawbacks of cross-border nature of business.

Today, regulatory standards issued by IOSCO, **"IOSCO Objectives and Principles of Securities Regulation"**, and standards on cooperation, **"IOSCO Multilateral Memorandum of Understanding Concerning Consultation Cooperation and the Exchange of Information"**, stand as world wide recognized standards addressing global challenges world securities markets are facing. These standards imply a certain degree of rigidity with clear and consistent goals. On the other hand, flexibility and national discretion have been observed throughout these principles.

This is a tough challenge and I am proud to be a part of an organization that is successfully addressing these issues through a global consensus in a way that is not frequently encountered.

As a result of these high standard products over the years, international profile of IOSCO has raised so as the expectations of the international community. Today, for the safety and soundness of global financial network, international community wants to see that standards issued by IOSCO are adapted by its members in order to reach a safer financial network. As a response to these expectations, IOSCO Presidents Committee has just approved the resolutions declaring the

change of the strategic direction of IOSCO from sole standard setter to encourager and supporter of implementation of these global standards.

Aligning with globally accepted standards per se does not promise increased prosperity and recognition of financial markets. But this is imperative and perhaps the first thing to do in this way. Financial regulation of individual countries should be safe and sound.

In this regard, IOSCO literally cannot and should not be coercive over national regulators to order adaptation and implementation. But IOSCO should extremely be persuasive in trying to bring the variety of regulations within the global market systems up to code. IOSCO should promote transparency, accounting standards and prudential standards for regulated entities. IOSCO should promote regulatory standards and appropriate management of cooperation between national regulators. This is what this recent resolutions of IOSCO are all about.

Ladies and Gentlemen,

In essence, the real story begins right here. Standards that were issued with the utmost input from their audience require to be honored by their adaptation. Adaptation of IOSCO standards shall have double sided benefits. First, adaptation of these global standards will manifest the willingness of a market to become one of the strong links of the chain of global markets. This will ease the placement of a market within the financial network. Second, IOSCO will be able to provide more meaningful and broad input particularly from emerging markets that adapt these standards that will be invaluable in times of revisiting preexisting or issuing new ones.

Therefore, IOSCO should offer effective channels for extracting structured feedback on the applicability of its standards or on particular difficulties of implementation and the consequences of application. This process, which undoubtedly will save time and resource and help to avoid future adverse effects, requires a more effective General Secretariat which is fortified with internal and external resources.

In this regard I would like to make emphasis on one important issue that in the near future we will observe that adherence to international standards will not be as crucial and significant as it is today because wide portion of international community will have adapted these standards. The real challenge will then be the quality and efficiency of enforcement of the rules and regulations which are fully compatible with international standards. This will be the aspect which the international investors will analyze along with the wrongdoers.

Ladies and Gentlemen,

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

I wish you all a pleasant Conference.

Thank you...