



32nd Annual Conference  
9-12 April 2007, Mumbai, India

## Opening Ceremony

*Mr. Philippe Richard*

Secretary General of the International Organization of  
Securities Commission (IOSCO)

*11 April 2007*

**IOSCO ANNUAL CONFERENCE  
OPENING CEREMONY  
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**Philippe Richard  
IOSCO Secretary General**

## **Welcome to Mumbai**

The Honourable Minister Mr. Chidambaram, Chairman Damodaran, Distinguished Guests, Colleagues, Ladies and Gentlemen,

It is an enormous pleasure to be here and to add my voice of welcome to this the 32<sup>nd</sup> IOSCO Annual Conference here in Mumbai, India. It is an added bonus this year for our Conference to be taking place in one of the world's newly emerging and most promising global financial centres.

This of course is the first time that an IOSCO Annual Conference is being hosted in India but our presence here today helps to emphasize the increasingly relevant role which this country is playing in terms of global finance.

## **Growth of Indian Economy**

When one considers the pace and extent of change which has occurred in global economics in recent years, it is perhaps even more remarkable to observe how these changes are reflected within the Indian economy.

We are of course all aware of the impressive range of economic statistics that this country can now claim such as the fact that in the decade to the year 2006, India had one of the world's fastest growing economies. However, what is equally remarkable is the extent to which the Indian economy is now economically engaged with the rest of the world.

How many of us are aware for instance that if an automatic teller machine in New York or in Paris swallows our bankcard because of a problem with the machine's new software, then the problem is more than likely going to be fixed overnight somewhere here at an electronic nerve centre based in Bangalore, India. Indeed, not just in banking, but right across the services sectors an increasing number of industries and companies have come to develop and rely on a connection with India.

We can also see this being echoed in the decisions of so many global companies to place their confidence in and rely upon computer software developed and maintained in India. The roll call of these global companies making the switch to India is impressive and includes such corporate giants as General Electric, IBM, Reebok, Texas Instruments, 3M, Hewlett-Packard and Compaq, to name but a few.

Complementing this trend we now can also witness many Indian based companies wholeheartedly seizing the prospect offered by global competition and viewing it for the business opportunities it offers.

## **New World**

It goes without saying of course that in this new flat world where economic borders are blurring, where education, technology and connectivity are the ingredients for success, well functioning financial markets are a necessary pre-condition for exactly this type of innovation and competitiveness.

For IOSCO we understand these changes and have accordingly arranged ourselves as essentially a network organisation with a strong leadership where coordination, connection and well defined priorities are key factors. It is true that since its beginning IOSCO has always been a forum for the exchange of ideas and practical experiences. However, more recently, we have also become the internationally recognised standards setter for financial markets. This is a development where facilitating cooperation among securities regulators is something which has been much more of our focus in recent times as it has during the previous five to six years.

In some ways, if there is a point at which we started to change as an organisation, then it was related to the tragic events of September 11, 2001. I remember well this time as I had only recently joined the IOSCO for less than one month when we all met in Roma to reflect on how best to respond.

### **Since 2001**

While not to put too fine a point on it, the enormity of that event and the threats it posed cannot be underestimated in terms of the impact which it carried through to so many sectors of the economy including ours.

As I look back to the changes within IOSCO since 2001 it is possible to identify a range of significant decisions and developments that have made a significant impact within the way we operate in the securities sector.

A remarkable achievement came during 2002 when IOSCO endorsed the Multilateral MOU which has since ushered in a important phase of worldwide cooperation between securities regulators by providing members with the means to facilitate investigation and prosecution of cross-border securities violations as well as to enhance the enforcement of securities laws and regulations. Since this early time I note that 60% of our membership has been or is being reviewed by our Screening Groups and than nearly 50% of our members are now either full signatories or committed to sign the MOU. I also note than very similar initiatives on cooperation by various other groupings are taking place. This is a very positive sign for the regulatory community.

Another significant achievement is the IOSCO Consultation Policy which provides the framework by which this organisation actively solicits the views of the broader financial services community on our draft reports and more recently on our Work Program. This enables IOSCO to benefit from the expertise of market intermediaries, exchanges, market operators, service providers, public authorities, other international financial institutions and of course investors. It underlines the importance which we place on engaging with and consulting with our stakeholders. More recently we have developed at the Technical Committee level a new approach to facilitate dialogue with the industry and other stakeholders. We communicate more and are obviously more visible.

Since 2001 IOSCO has also gone onto develop a whole new range of technical assistance programs aimed at capacity building among members. The importance of these programs in particular cannot be underestimated. They have directly and comprehensively supported a progressive implementation of the IOSCO Principles as well as the development of action plans designed to correct identified deficiencies. We have to keep in mind that designing new standards and recommendations does not make sense if only 15 members comply with them, even if those members represent most of the global market capitalization. So in order to get everyone on board we need to provide technical assistance and support as well as facilitating dissemination of best practices.

Since 2001 our substantial body of work covers a wide range of policy areas including Credit Rating Agencies, financial analysts, Audit and non-audit matters, conflicts of interest avoidance, and hedge funds valuation. In this time we had to address, among other things, the major challenge of the business scandals and the need to raise corporate standards. As a matter of fact at times it seems that we set the regulatory tone internationally and then others reacted to what we were proposing or recommending.

There is no doubt that we can say our record since 2001 has been one of which we can be justly proud.

### **Announcement**

So it is perhaps understandable if after having participated in such a bold agenda and been present at such a great number of initiatives and changes in the organisation, if I take this opportunity to formally announce to you that after six years on the job as the IOSCO Secretary General I have decided to step down from this role once my mandate expires in October this year.

This is a decision which I have not taken lightly but in making this announcement I am confident that I have served the organisation well and to the best of my abilities. It has been an honour and a privilege to be the Secretary General of IOSCO but after almost six years in this role, and two mandates, many of you will appreciate my desire to pursue other opportunities.

As IOSCO Secretary General during the previous six years, it has been a pleasure to be able to meet and work with so many dedicated and committed people. For me it has been a very interesting road. Certainly it has not been a straight road and there have been some major obstacles along the way but as I look back over the last six years I have a genuine sense of satisfaction at what has been achieved.

### **Thanks**

In closing I would like to note that during my mandate I have been fortunate to benefit from the support of a great number of members but I would especially like to take this opportunity of thanking the various Chairs of the different committees within IOSCO who have provided me with support and invaluable advice along the way. In particular I wish to mention Jane Diplock, Michel Prada and Meleveetil Damodaran as well as

former office holders Fernando Teixeira dos Santos, David Knott, Andrew Sheng and Dogan Cansizlar.

Finally, I would also like to take this opportunity to thank the staff of the IOSCO General Secretariat for their assistance during my tenure as Secretary General who have made it possible for me to carry forward so much of the IOSCO agenda. It has indeed been my pleasure to lead and work with such a professional and dedicated team.

### **Conclusion**

We have achieved much over the last six years but much more remains to be done. One of the most important lessons from the previous six years is that we can only achieve our goal by working together. Collective efforts make us stronger and creative while isolation leaves us weak and diminished. This is the most important message which we need to take with us into the future.

Before finally closing I would like to extend my special thanks to the organizers of the conference and especially to the Securities and Exchange Board of India for their outstanding efforts. A few years ago when the decision was taken to award the 2007 IOSCO Annual Conference to India, we knew that we would not be disappointed and everything we have witnessed to date has justly confirmed that for us. Chairman Damodaran and his team have done a superb job in helping to organize this year's event and on behalf of IOSCO, I extend my warm thanks for their most generous hospitality.

Thank you.

[ENDS]