



Michael D. Gill Memorial Society Lecture

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- Ladies and gentlemen,
- It is an honour to stand before you today to give this lecture on international financial regulatory understanding and cooperation — and above all, to honour the memory of our friend and colleague, Mike Gill.
- I am deeply aware of the significance of this lecture — not just as a professional gathering, but as a personal tribute to a man who stood for something rare in our field: humanity in regulation.
- Those who worked with Mike at the CFTC remember not just his sharp legal mind, but also his warmth and optimism. He believed in dialogue. He believed in listening. And he believed that effective regulation could exist only through cooperation — among people, among institutions, and across borders.
- Mike was also a pioneer. He led initiatives years before words like *simplification* and *modernization* became popular in regulatory circles: through Project KISS, which aimed to simplify and clarify rules, or through LabCFTC, which opened the agency up to the world of innovation, he led tangible initiatives that are now at the heart of our thinking.
- He saw modernization and simplification not as deregulation, but as smarter regulation. I will come back to that later.

- He was someone who didn't just understand international cooperation — he believed in it. And, more importantly, he practiced it.
- Mike was, first and foremost, an internationalist.
- He believed deeply that global markets demand global solutions — that the integrity of financial systems cannot stop at national borders. He understood that the clearing of trades, the flow of liquidity, and the management of risk are all cross-border by design, not by accident.
- He also understood that regulation is about trust. Trust among market participants, trust among regulators, and trust among jurisdictions.
- During his time at the CFTC, Mike was instrumental in advancing international dialogue on clearing and settlement. He helped make sure that the reforms following the global financial crisis — from Dodd-Frank in the United States to EMIR in Europe — were implemented in a way that strengthened both domestic oversight and international consistency.
- Thanks to his contributions, our work on margining and central clearing has been one of the most consequential reforms of the post-crisis era.
- The move to mandate central clearing for standardized derivatives was transformative: it reduced counterparty risk and increased transparency, but it also concentrated risk in a small number of critical institutions.
- Mike saw both sides clearly. He understood that central clearing could serve as a stabilizer for the financial system, but only if the clearinghouses themselves were robust, transparent, and subject to consistent international oversight.
- He was a vocal supporter of the CPMI-IOSCO Principles for Financial Market Infrastructures and of the resilience guidance that

followed. Those standards, still in force today, reflect his insistence on the balance between national authority and collective responsibility.

- His influence remains visible in the way we at IOSCO continue to address clearing and margining in 2025. Our joint work with the CPMI and the FSB is now focused on the interplay between margin practices, liquidity risk, and procyclicality.

- We are learning, once again, that coordination matters most not when markets are calm, but when they are under stress.

- Mike's conviction that dialogue and pragmatism are the bedrock of long-term stability is one that resonates deeply with me as a Belgian.

- Belgium's very creation was, in many ways, the act of a diplomatic compromise.

- In 1830, after years of unrest, the major nations of 19th-century Europe— Britain, France, Prussia, Austria, and Russia — all feared that the faith of Belgium would jeopardise the continental balance.

- The compromise was simple: Belgium would become an independent and neutral kingdom.

- It was not a victory for any single nation, but a solution everyone could live with. This is what we call a Belgian compromise.

- It is a way of thinking that puts balance over ideology, and listening over lecturing.

- In regulation and standard setting, that same principle is true.

- Mike understood that cooperation does not mean uniformity, and that compromise is not weakness — it is the art of keeping the system moving.

- This is why his work will leave a lasting mark.

- The challenges we face today are different in form, but not in spirit. The same cooperative mindset that guided post-crisis reforms is now needed for a new generation of technological and structural shifts — artificial intelligence, crypto-assets, and tokenisation are good examples.
- Crypto-assets and tokenised securities have brought new actors and architectures into the financial ecosystem. They challenge our definitions of custody, settlement finality, and even jurisdiction.
- IOSCO has taken these challenges seriously. Our 2023 recommendations on crypto and digital-asset markets, our ongoing work on DeFi, and our recent AI governance framework are all expressions of the same philosophy Mike championed: shared standards, coordinated implementation, and mutual respect for national specificities.
- As I said earlier, Mike and Chris Giancarlo established LabCFTC as a central point of contact for FinTech and innovators to engage with the CFTC, to improve their understanding of the regulatory framework, and to receive guidance.
- This was a brilliant move. It was about helping innovators to create in a collaborative spirit. It was about staying in touch with rapidly evolving market developments. It was about building trust between regulators and practitioners. It was everything Mike stood for: collaboration and trust.
- Tokens and crypto-assets can be issued in one country, traded in another, and held in wallets anywhere in the world. That reality underscores why no regulator can act alone.
- This is one of the reasons we made clear that crypto-assets are covered in the scope of IOSCO's Multilateral Memorandum of Understanding for cross-border exchanges of information.
- The CFTC and all other IOSCO members alike benefit from international cooperation. In September last year, the Commission recovered more than \$18 million in digital assets in crypto Ponzi

schemes¹. The IOSCO MMoU was a primary enforcement tool for cross-border evidence and asset tracing.

- In many ways, these issues are the poster child for international cooperation.

- Mike worked for the CFTC at a key juncture, in the aftermath of the global financial crisis. This was a period during which international bodies and standard setters such as the FSB and IOSCO were entrusted with helping restore confidence and strengthening the resilience of the financial system.

- Over the past fifteen years, many of these objectives have been achieved, also through our close collaboration with the FSB and CPMI.

- Whilst challenges remain, the balance of effort is now shifting: the priority is now to facilitate the consistent and effective implementation of agreed standards, and to reinforce our capacity to identify and assess emerging vulnerabilities.

- One way to support implementation is clearly to consider whether legacy regulatory frameworks remain fit for purpose.

- Mike led those efforts at the CFTC through project KISS: Keep It Simple Stupid.

- This may sound like an easy task, but trust me, it is challenging for many regulators to kill their darlings. It takes courage and perseverance to identify opportunities for regulatory simplification and to make practices less burdensome and less costly for market participants.

- The CFTC, under the leadership of Chris and Mike, started those efforts in 2017.

- 8 years later, the European Union began its own review to identify ways to cut unnecessary red tape. The Commission seeks to reduce

¹ Source: https://www.cftc.gov/PressRoom/PressReleases/8959-24?utm_source=chatgpt.com

the regulatory burden by 25% on companies across sectors, without jeopardizing stability or compromising other objectives.

- The FSB is also considering if and how to simplify and modernize.
- IOSCO is perhaps an exception in this regard, as we have always preferred outcomes-based principles over prescriptive rulemaking, and considering the truly global nature of our membership, we have always factored in the importance of jurisdictional specificities and proportionality.
- Ultimately, Mike's legacy reminds us that progress in global regulation is not only about grand declarations, but also about patient craftsmanship, about building trust, and about commitment.
- In clearing and margining, as in crypto and AI, the true infrastructure of the global financial system is not only technological — it is human.
- That is the spirit Mike embodied, and that is the responsibility we carry forward.
- Thank you.