IOSCO

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Keynote Speech on Deepening Capital Markets

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Good morning, colleagues and friends,

It is a great pleasure to be with you again and to see so many familiar faces from every corner of what I like to call the IOSCO village.

Let me begin by thanking Dr. Mohamed Farid Saleh, Chair of the GEMC and Executive Chairman of the Financial Regulatory Authority of Egypt, for his invitation. Mohamed, your dedication to the GEMC is indispensable and commendable.

My thanks also go to the MFSA CEO Kenneth Farrugia and his team for the hospitality and for the excellent work in organizing the GEMC Annual Meeting, and the European Regional Committee that will take place tomorrow here in Malta.

And of course, my appreciation to the IOSCO Secretariat, especially the Standards Implementation Department and colleagues from other teams, for preparing these meetings and the workshop.

The Growth and Emerging Markets Committee is the largest and most diverse body within IOSCO. It is the engine of inclusion within IOSCO. It ensures that emerging markets have a central voice in shaping global standards, and that IOSCO's principles reflect the full diversity of market realities, from well-established exchanges to nascent market infrastructures.

That inclusiveness is what makes IOSCO a truly global community. It is what gives our standards legitimacy and our cooperation meaning.

I believe this community and spirit of multilateralism is essential to building trust, which is the core of our mission statement as financial regulator. Because without trust, there can be no stable growth; and without multilateralism, there can be no trust in global markets.

As I said multiple times, financial stability and international cooperation are not constraints on economic growth, they are its preconditions. They create the predictability and confidence that allow investors to commit long-term capital, and businesses to plan for the future.

I was asked to speak about the deepening of capital markets in Growth and Emerging Markets.

In fact, I get this question a lot. So, why are we so focused about market development?

I believe the short answer is that capital markets mobilize savings and investments into infrastructures and much needed investments in the real economy that fiscal policy and bank credits cannot achieve alone.

For emerging economies, vibrant capital markets are not a luxury; they are a development necessity. They are key to job creation, innovation, and economic resilience.

But this topic is also highly topical at the global level. Even in the most advanced economies, there is a growing sense that public markets must be reinvigorated to play their full role in financing the economy.

In many advanced economies, the number of listed companies has fallen, IPO activity has slowed, and more firms are turning to private capital.

Across the world, policymakers are asking: how can we make markets more accessible, more efficient, and more competitive while maintaining investor trust and financial stability?

Deep and liquid equity markets increase the attractiveness of equities as an investment, encouraging more participation in the market.

In fact, a number of G20 jurisdictions are considering or have initiated efforts to modernise financial regulation and supervision in their jurisdictions. As I just return from the Financial Stability Board Plenary meeting in Riyadh, I can note that the FSB Plenary agreed that the FSB should examine these initiatives to determine where it can support alignment of approaches globally. .

IOSCO's approach in this area is exemplary: we have always preferred outcomes-based principles over prescriptive rules, mindful of the diversity of our membership. Our focus on proportionality and implementation practicality has made IOSCO's standards both credible and enduring.

This balance is precisely what makes our work relevant to all markets, large or small.

The GEMC has been at the forefront of this discussion for years.

5 Years ago, in October 2020, the GEMC published its landmark report "Development of Emerging Capital Markets: Opportunities, Challenges and Solutions" which, importantly, contributed to the G20 deliverables in 2020 (Saudi Arabia Presidency) as part of the International Financial Architecture Working Group (IFA WG).

That report offered a comprehensive diagnostic of emerging markets. It identified recurring challenges such as shallow liquidity, narrow investor bases, gaps in investor education, and limited access for SMEs. It proposed five practical recommendations for regulators and policymakers:

- Develop a holistic capital-market strategy;
- Promote fair and efficient markets for capital raising, deepening liquidity and investor confidence;

- Empower regulators with adequate powers and resources;
- Strengthen national and international cooperation; and
- Develop and implement investor education roadmaps.

Five years later, these recommendations have not lost their relevance. In fact, they have guided much of the GEMC's concrete work.

Through partnerships with IOSCO's other committees, with the World Bank, IMF, and other organizations, the GEMC has operationalized these principles.

Let me give a few examples:

- The GEMC Task force on corporate bond markets and SME financing has helped members balance market depth with investor protection.
- The FinTech Working Group has guided jurisdictions in developing innovation hubs and sandboxes, ensuring that experimentation goes hand in hand with investor protection.
- The Financial Inclusion Working Group has now finalized its mapping on how digital finance is expanding access to capital and supporting inclusion across member jurisdictions.
- And through IOSCO's NEXTGEN capacity-building programme, GEMC members have participated actively in over 70 activities in 2024-2025 with over 2000 staff participating from GEMC jurisdictions (in 2024). This demonstrates their commitment to strengthening supervisory capacity and effective implementation.

There is one theme I would like to highlight in particular: financial literacy.

In emerging markets, financial literacy is not just a personal life skill, it is a market enabler.

Educated investors make informed decisions, support transparency, and build confidence in markets. That is why IOSCO places strong emphasis on investor education and awareness, helping retail investors navigate new digital opportunities safely.

In Belgium, for example, the FSMA's Wikifin programme has become a reference in this field. We equip citizens with the knowledge they need to plan for their future and invest responsibly.

But education should not stop with investors. It must also empower companies, particularly SMEs, to understand their financing options and access capital markets confidently.

Improving SMEs' financial capabilities is key to facilitate access to equity and bond financing and enable more inclusive markets.

Education and capacity building help entrepreneurs understand their financing options, strengthen governance, and engage effectively with investors.

Across regions, regulators, exchanges and other market participants are now working together to build financial capabilities for companies, helping them move beyond traditional bank lending towards market-based financing.

In Belgium, we are exploring a similar market-wide approach. We are offering tailored information to companies considering going public. It is a practical way to turn financial literacy into market readiness.

Looking forward, the 2020 Report's recommendations remain our compass.

The GEMC's next phase will focus on deepening local markets through:

- Targeted technical assistance, including through peer mentoring programme, enabling direct support between member authorities
- Thematic blueprints for bond markets, derivatives markets, SME financing, market making, Fintech, and
- Stronger links with development banks and international financial institutions, but also stronger partnerships with industry bodies such as ICMA and ISDA to assist with implementation.

We will also work on a repository of jurisdictional success stories, which promises to be very insightful.

Capacity building and implementation of international standards will remain at the core of our mission. I am also pleased by the work made to expand IOSCO's e-learning platform, which will enhance support for our members wherever they are.

We will also continue advancing work on responsible innovation, financial inclusion, and operational resilience, as illustrated by the session on cyber resilience at this very Workshop.

Our goal is clear: to equip emerging markets with the tools, knowledge, and confidence to develop capital markets that are open, transparent, and resilient.

Ladies and gentlemen, I look forward to continuing the good and important work ongoing to keep developing financial markets in your jurisdictions.

In this regard, I look forward to continuing working with you and your leadership. IOSCO is there to help.

Thank you for your attention.