



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

20 April 2011

Opening Ceremony
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Opening Remarks

20 April 2011

Speech by

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Chairman,

Technical Committee

International Organization of Securities Commissions

and

Chairman

Netherlands Authority for the Financial Markets

SP03-11

Dear Excellency, colleagues, ladies and gentlemen. It is indeed a pleasure and an honor to address you this afternoon.

First of all I would like to express my warmest thanks and congratulations to our hosts Mr. Dube Tshidi, Mr. Bert Chanetsa and Mr. Norman Muller of the South African Financial Services Board (FSB), and their excellent staff for organizing this event. This conference has a tremendous atmosphere from the very first evening.

Capetown is indeed an amazing and beautiful city which is a spectacular backdrop to the mix of cultures and traditions which make South Africa such an intriguing country.



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Some of my Dutch ancestors were among those to make a contribution to your culture. It was an uninvited and in many aspects very problematic contribution. Yet modern South Africa is now a shining example to the world of how seemingly insurmountable cultural and social differences can be overcome.

In response to the devastating financial crisis that has engulfed the world since 2007, IOSCO has undergone quite a change and I believe a change for the better. From an organization that was very much led by the mature markets, the Technical Committee has become much more inclusive, giving more room to the new growth markets.

The inclusiveness of IOSCO will be further strengthened by the new strategic direction for which we have taken very important steps here in Capetown. We are much more a truly global organization now than even before. It is befitting and symbolic that this move towards greater inclusiveness was sealed here in South Africa.

The effectiveness of IOSCO will also receive a great boost by the coming merger of the Executive and Technical Committees. For all practical purposes this merger has already taken place and I think we all like what we see. There is much less need for endless rounds of coordination and in the future IOSCO as an organization will have a much clearer face to the outside world. The precise composition of the future IOSCO Board is not yet known. One thing is clear: with 32 members the new IOSCO Board will be 1.5 times as inclusive as the G20, and our Board will have proper governance.

The strengthening of our secretariat under the able leadership of Greg Tanzer is also very important for making IOSCO a more professional organization. Over the past year, the secretariat has been dealing with ever-increasing demands in effectively representing and supporting IOSCO's work around the world, in particular towards the FSB and the G20 requests.

These strong efforts have helped successfully support IOSCO's growing role and prominence. IOSCO's contribution to the FSB and the G20 are now finally entrenched and recognized and we have reason to be proud of that.

Also in terms of content, the past three years have been very important to IOSCO. This has been again a very active and productive period for IOSCO and its members in pursuing its objectives of protecting investors, ensuring that markets are fair, efficient and transparent and reducing systemic risk.

We have come to realize more than ever before that strong market infrastructures are essential to keep our financial system safe. For that reason we have adopted two new principles of securities regulation related to systemic risk: the need for processes to monitor, mitigate and manage systemic risk and to review the extent of regulatory coverage. The financial crisis has shown clearly that systemic risk is not only a question for prudential regulators. We as securities regulators should never lose sight of our responsibility in containing and minimizing systemic risk.



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I would like to echo some words of Mr. Dube Tshidi, the CEO of our host the Financial Services Board. He wrote: “We as leaders of the Securities Markets must be brutal with the truth”. These words are particularly well chosen.

The financial crisis has indeed laid bare a lot of brutal facts: gross breaches of conduct of business, both to retail customers and professional investors; a terrible lack of transparency in markets that we believed to be well organized; and a massive shift of losses to the public sector after the biggest round of profit-taking in the financial sector ever. Most of those profits turned out to be made out of thin air.

Public confidence in the financial system has been shaken to the core. We still have a tremendous amount of work to do before we can be reasonably sure that such a monstrous crisis will never happen again. It will take years before this job is done but we, as we are present here, are highly motivated to get it done. Again I would like to quote Mr. Dube Tshidi: “Failure is not an option”.

In closing, I would like to reiterate that all the changes IOSCO is going through will make us much better equipped to deal with the challenges of the future. We certainly need to strengthen the foundations of our precious organization, because the challenges of the next decade will be huge. However, since I think that regulators should relish tough jobs in difficult circumstances, I believe there is a bright future for IOSCO.

Ladies and Gentlemen, bringing more transparency to the financial markets is essential to rebuilding trust in our system. This is the core task of IOSCO, and this is what IOSCO is going to achieve.