



**Opening Remarks by Greg Medcraft, Board Chairman
International Organization of Securities Commissions
Wednesday 11 May 2016, Lima**

Introduction

Thank you Lillian for your kind introduction.

I'd like to thank you and your staff at the FCA for the fantastic way in which you have organised what has been a very exciting and stimulating event in a wonderful location.

I would like to take this opportunity to reflect on IOSCO's role and contribution to global securities regulation in the last year and to provide some thinking around where I believe we should be heading in the coming year.

1. IOSCO in the Last Year

I'd like to make some points about where IOSCO has been in the last year.

This year has, again, been one of considerable achievement for IOSCO.

We have done good work on policy, implementation monitoring and capacity building projects.

We have taken the first steps to implement our Strategic Direction to 2020.

I think we can now rightly describe ourselves as the key global reference point for securities regulation.

I want to thank the General Secretariat – under David Wright and now under Paul Andrews - for their important contribution to this journey. They have worked tirelessly with the Management Team and the Board to drive a number of important initiatives to build a more inclusive and representative organisation.

Together we have done much to identify **emerging risks** – with a sharper focus on fintech developments and better understanding the volatility and uncertainty we have seen in our markets

We have progressed a **policy agenda** with a strong focus on supporting initiatives intended to engender trust and confidence in the markets we regulate – touching on areas as diverse as audit quality, cyber resilience, asset management, the risks posed by CCP's and market conduct in wholesale markets.

We have undertaken a number of **implementation monitoring** reviews through the Assessment Committee, covering implementation of IOSCO guidance in a range of areas (including financial benchmarks). We have also progressed our Country Review program with a soon to be published report of our review of Trinidad and Tobago.

We have also made significant progress in **capacity building** with our first hub to be established this year in Kuala Lumpur, the launch of our online training programs and the launch later this year of our Global Certificate Program in conjunction with Harvard Law School.

We now also have 109 **members signed up to the MMoU**.

Our voice in FSB Committees has also strengthened as the FSB – and the G20 together – have increased their focus on the markets we regulate and on emerging markets in particular.

We now have more markets representatives on each of the FSB's Standing Committees. We have worked to ensure we have a stronger and better co-ordinated voice at all levels from the Plenary to Standing Committees.

Our aim has been to use our voice to ensure each Committee has a better understanding of these markets and the approaches we as market regulators take.

2. The Way Forward

I want now to turn to what I see as the challenges we face and what I see as our priorities for the coming year.

Our challenge for the coming year will be to build on the changes and the good work of the past year.

Our objective should continue to be working to ensure the markets we regulate perform their fundamental purpose – funding the real economy and driving economic growth globally.

I see us doing this by aiming to build investor and issuer trust and confidence.

Put simply, without this trust and confidence the use of our markets and the economic growth they support won't be optimal.

We also need to do what we can to support our markets in the efficient allocation of capital.

We will continue to face challenges in delivering on this objective – a number of which I touched on last year.

They include increased globalisation, the growth of market based finance, ongoing innovation-driven complexity in products, markets and technology and finally – but very importantly – digitally driven disruption of business models in the markets we regulate.

So, given our objectives and these challenges, what should our priorities be?

I see three very clear priorities.

- The **first** will be paying close attention and responding to the challenges and opportunities of technological innovation and digital disruption. We need to stay on top of these issues if IOSCO and our members are to remain ahead of the game.
- The **second** is continuing to have a strong voice at the FSB and in other forums in developing approaches to market based finance. We must ensure our expertise and our experience not only informs, but is the basis for any work done in these areas.
- The **third** – and I think most important – is prioritising our capacity building work. This work will benefit all IOSCO members – whether from developed or from growth and emerging markets. It will help build a level regulatory playing field across global markets and so reduce regulatory barriers to cross border activity.

3. A Year of Transition

Before I finish, I want to finally to note that this year has been and will be a year of transition for IOSCO.

We have welcomed a new Secretary-General – Paul Andrews – who took over leadership of the Secretariat in March from David Wright.

We look forward to working closely with Paul.

I am confident Paul's deep experience in securities regulation and working with many of you on both the AMCC and our other members with FINRA will help reinforce our global position.

Tomorrow, the IOSCO Board will be reconstituted after elections in each of our regional Committees and the Growth and Emerging Markets Committees. It will serve for the next 2 years.

We will also be electing the Chairs and Vice-Chairs of the Board.

Although I remain willing and able to continue as Chair of the Board, I have decided not to nominate for a further term.

It is important that the leadership of any organisation is refreshed on a regular basis. We will be doing this for each of our Board Committees. My view is we should also do this at the Board level at least once every two terms.

I will, of course, continue to offer myself in leadership roles across IOSCO and offer to represent IOSCO in Forums such as the FSB.

I look back on the last 3 years as Board Chairman with significant pride.

Let me touch on five particular areas:

- The **first** is the composition of the Board. We now have a Board which is I think

truly representative, inclusive and dynamic.

- The **second** is how we are seen by our members and our key stakeholders. I set out a vision in 2013 for us to be seen as a key global reference point for securities markets regulation.
 - I think that is how we are now seen by our members and key stakeholders.
 - We have also matured into a forward looking and proactive organisation reflected in our work on fintech, on market conduct and our work on supporting the role capital markets play in building growth;
- The **third** is the fact we now have a strategic direction to 2020 which describes who we are and what we should do. It is supported by business plans, resourcing and funding plans. We know where we are headed and how we plan to get there.
- The **fourth** is our role as advocates for our members. I have already outlined how we have emerged at the FSB as a strong voice on issues which touch on capital markets. Our counsel is now sought and when we speak we are listened to.
- And **finally**, I am particularly proud of the increased emphasis we have placed on the interests of our Growth and Emerging Markets members. Not only have we worked to support our GEM members through our capacity building programs – but to give them a stronger voice at our main tables. We have recognised they are our future.

But what we have achieved in the last 3 years has only been a starting point – or foundation.

I trust that those who follow in my shoes will continue to ensure we remain proactive, forward looking and the strongest advocates of the interests of all our members – wherever they are, however large or small they are – and irrespective of their stage of development.

I trust also that those who follow will continue to recognise what we are here to do – to support capital markets doing their job of supporting the real economy – by building wealth and supporting businesses and entrepreneurs in creating jobs.

Thank You!