



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

# Global Emerging Markets Programme 2016



**Risk and Vulnerability of Global Markets:**  
Reinforcing Resilience in Emerging Markets

Date: **15-17 MARCH 2016**  
Venue: **SECURITIES COMMISSION MALAYSIA**  
By Invitation Only

# Risk and Vulnerability of Global Markets: Reinforcing Resilience in Emerging Markets

• 15-17 MARCH 2016 • SECURITIES COMMISSION KUALA LUMPUR

## INTRODUCTION TO THE GLOBAL EMERGING MARKETS PROGRAMME

This new international cross-border regulator-to-regulator (R2R) sharing programme is open to all capital market regulators from developed and emerging economies around the world. DAY 1 of this programme will also include participation from capital market industry leaders. It will invite industry to join discussions in exploring and developing practical solutions for the growth and governance of capital markets.

## THE 2016 THEME RISK AND VULNERABILITY OF GLOBAL MARKETS: REINFORCING RESILIENCE IN EMERGING MARKETS

Capital markets make a significant contribution to global economic growth. However, as global markets continue to face economic headwinds, the potential systemic risk implications to emerging markets also grow in significance. Emerging capital markets today continue to be impacted by global liquidity flows emanating from the monetary policy stance of major economies and volatile currency and commodity markets, resulting in these markets being the hardest hit, with their currencies falling to multi-year lows.

As capital markets become increasingly interconnected and integrated, the potential for external risk and volatility to be transmitted via cross-border linkages also grows in tandem. Reinforcing resilience of markets has become a key priority amongst market regulators. Leading regulators today also believe capital market regulation and policy should be developed collectively to promote greater stability in an interconnected world. Greater international cooperation among policymakers appears more vital today in dealing with the risk and vulnerability of global economics than ever before.

## PRINCIPAL OBJECTIVES OF THE GLOBAL EMERGING MARKETS PROGRAMME

- Establish a global platform for capital market regulators to exchange information and ideas to promote cross-border cooperation in developing, implementing and adhering to internationally recognised standards of regulation, market oversight and enforcement principles.
- Exchange insights with global thought leaders on the growing market trends and changes that can quickly impact the dynamics of the world capital market landscape, as well as reflect on effective regulatory responses in managing investor confidence and market integrity.
- Engage and dialogue with leading industry practitioners and other prominent experts on emerging risk issues affecting capital markets.
- Employ the collective voice of emerging markets to play a bigger role in shaping the global capital market regulatory framework.

## THIS PROGRAMME IS PRESENTED IN TWO DISTINCT PARTS

### DAY 1

#### High Level Conference for Leaders in Capital Markets

A high level conference designed for both senior regulators and capital market business and professional leaders. It reviews the global capital market outlook and highlights potential vulnerabilities and challenges for both regulators and industry in building resilient regulatory environments that can facilitate and accelerate the continued development of emerging capital markets.

### DAYS 2 & 3

#### Senior Regulators Programme

A programme designed for senior officials of capital market regulatory agencies. It focuses on key regulator functions that deal with current and new risk issues of emerging market regulators in building resilient and facilitative regulatory environments.

# HIGH LEVEL CONFERENCE FOR LEADERS IN CAPITAL MARKETS

DAY 1 Tuesday, 15 March 2016

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SIDC CPE  
POINTS

This conference will review the global capital market outlook and discuss opportunities and risk challenges, and their implications to emerging markets. It may also provide new insights into shifting ideologies that may drive changes to business and regulatory development agendas of emerging markets, to further strengthen resilience to external headwinds.

The conference brings together industry, policy makers, subject matter experts and leading market regulators to surface and explore the best forward-thinking ideas in surmounting and transcending the growing challenges of risk and uncertainty, in order to harness business opportunities, by building more resilient regulatory environments that can facilitate and accelerate the development of emerging markets.

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8:45 am Arrival of participants

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9:15 am Opening Remarks by

**Ranjit Ajit Singh**

Chairman of Securities Commission Malaysia,  
Vice Chairman of IOSCO Board and Chairman  
of IOSCO Growth & Emerging Markets  
Committee

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9:30 am **Global Capital Markets Outlook - Emerging Opportunities, Risks, Uncertainties and Implications to Emerging Markets**

As global markets continue to be dominated by challenges including liquidity issues, commodity prices, interest rates and the Chinese economy, it is imperative for regulators and market players in emerging markets to study their implications from both risk and opportunity perspectives.

This presentation will provide insights into the outlook of the global economy as well as examine its opportunities and risks to emerging markets. It will also discuss potential vulnerabilities and possible strategies to address challenges arising from these developments.

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10:15 am Coffee Break & Networking

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10:40 am **Emerging Asia and Its Long-term Potential**

Investments in emerging markets may involve risks, including currency fluctuations and economic instability, in addition to their smaller market sizes, lesser liquidity and evolving legal, political, business and social frameworks that support securities market development. However, within this scenario, global investors have by and large been resiliently optimistic, more so in the long-term potential of some

markets over others. This presentation will discuss where investors are most optimistic and explain why.

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11:40 am **PANEL SESSION I**

**The Rise and Fall of Currencies and Commodities - Managing through Volatility and Complexity**

With commodities, currencies and developments in China continuing to influence global markets, managing investments in capital markets has become increasingly challenging for market players. Highly volatile and complex environments expose portfolios to greater risk. This session will discuss how commodities, currencies and developments in China affect the global business climate, particularly in emerging markets. It will also examine strategies and challenges in managing investments in volatile and complex business environments.

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12:15 pm Panel Discussion and Q&A

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12:45 pm Lunch

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2:15 pm **Globalisation of Securities Regulation: Issues and Challenges**

The globalisation of securities regulation presents challenges to regulators all over the world as markets around the globe have varying degrees of regulatory oversight. Further, as the interconnectedness of capital markets has the potential to transmit external risk and volatility through cross-border linkages, reinforcing market resilience has become the top domestic priority amongst emerging market regulators.

This session will discuss the issues and challenges emerging market regulators face in their effort to develop regulation that adheres to international standards.

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3:00 pm Coffee Break & Networking

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3:30 pm **PANEL SESSION II**

**Facilitating the Development of Resilient Capital Markets**

On the back of the global market outlook and challenges presented in the morning's sessions, our panellists for this presentation will share and discuss their experiences and expert opinions on regulatory philosophies and approaches that can facilitate growth and innovation on one hand, while addressing the risk concerns of global investors on the other.

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4:40 pm Panel Discussion and Q&A

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5:00 pm End of Day One

## SENIOR REGULATORS PROGRAMME

**DAY 2** Wednesday, 16 March 2016

The programme (DAYS 2 & 3) draws upon insights from the DAY 1 conference and focuses on practical ideas in strengthening the regulatory capacity of emerging markets to proactively deal with new risk issues identified at the conference, by building resilient and facilitative regulatory environments.

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8:45 am Arrival of Participants

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9:15 am [Rebuilding Trust and Confidence](#)

In recent years, ongoing occurrences of serious professional misbehaviour, ethical lapses and compliance failures in financial institutions have resulted in the erosion of public trust and confidence in financial markets as a whole, despite the hefty fines and penalties meted out as intervention measures against further erosion.

The speakers will examine the key imperatives in rebuilding trust and confidence in global capital markets and how capital markets can effectively support equitable and sustainable growth of the economy, on the basis of good conduct and behaviour by all its participants.

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10:15 am Photography session

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10.30 am Coffee Break & Networking

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11:00 am **PANEL SESSION III**  
[Interactive Session on Culture, Conduct and Ethics](#)

The focus on business conduct and ethical behaviour within the financial services industry has received renewed impetus. Further, the publication of the UK Fair and Effective Markets Review (FEMR) in June 2015 has emphasised the need for higher professional standards within the fixed income, currencies and commodities (FICC) markets.

The session aims to review the concepts of culture and conduct, their drivers, and how regulators and firms can ensure that these concepts are embedded in the firm's DNA. To what extent can regulatory tools be used in dealing with bad conduct? Are escalating fines

for financial firms an effective means of dealing with poor conduct?

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12:05 pm Panel Discussion and Q&A

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12:45 pm Lunch

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2:00 pm **PANEL SESSION IV**  
[Moving beyond Regulation – Making Supervision Work](#)

With greater emphasis being placed on culture and conduct in the current regulatory climate, supervisors are increasingly focused on financial institutions' role in maintaining public trust and ensuring that the interests of customers are protected.

Conduct issues run the gamut from the collusion and manipulation of financial markets demonstrated in the LIBOR and foreign exchange scandals, to providing services to sanctioned groups. But culture is an intangible concept – how can culture be measured? How does culture translate into good conduct?

As regulators, how do we supervise – and also incentivise – good culture and good conduct?

The session will discuss what regulators should do in order to make supervision more effective. Should supervisors focus beyond systems and controls, for example, to examine a firm's wider business more closely and be in direct contact with a wider range of people in firms?

Further, what needs to be done before supervisors can effectively engage with the firm's people to have a better understanding of the firm's culture, including the way its business is conducted?

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3:05 pm Panel Discussion and Q&A

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3:45 pm Coffee Break & Networking

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4:15 pm [Town Hall Session](#)  
Open discussions with speakers of the day

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5:00 pm End of Day 2

## SENIOR REGULATORS PROGRAMME

**DAY 3** Thursday, 17 March 2016

8:45 am Arrival of Participants

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9:00 am **PANEL SESSION V**

Combating Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT) in Capital Markets

The session will explore the practical issues, priorities and emerging challenges in combating AML/CFT. Central to the Financial Action Task Force 40 Recommendations on International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation is the emphasis on the Risk Based Approach (RBA), which includes RBA to regulation and supervision of financial intermediaries. The new focus on RBA is intended to ensure that financial market regulators are able to identify, assess and understand the money laundering and terrorist financing risks which the financial sectors are exposed to, and take the necessary AML/CFT measures that commensurate with those risks to mitigate them.

The session will address, among others:

- The role of standard setters and regulators in setting baseline expectations in policy formulation and supervision, and facilitating effective implementation of RBA by industry players;
  - The necessary prerequisites regulators must adopt for successful implementation of RBA.
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10:05 am Panel Discussion and Q&A

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10:45 am Coffee Break & Networking

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11:00 am **PANEL SESSION VI**

Promoting Effective Cross-Border Enforcement and Credible Deterrence

In an increasingly cross-border environment, raising the standards of enforcement action, encouraging cooperation among international regulators and making it more difficult to commit market misconduct are critical.

The session will examine factors necessary to promote effective cross-border enforcement as well as some of the approaches adopted by regulators to credibly deter misconduct in capital markets in order to deliver better enforcement.

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12:05 pm Panel Discussion and Q&A

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12:45 pm Lunch

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2:00 pm **PANEL SESSION VII**

New and Emerging Challenges to Financial Literacy and Investor Education

Digitisation and financial innovation are having a significant impact on global financial markets, and in particular, on how investor education and financial literacy programmes are being designed and delivered. While these developments provide for greater democratisation of markets and enable investors to benefit from greater access and cost savings, they also require investors to be appropriately equipped with the relevant skills and knowledge to navigate the increasingly complex financial landscape and to make informed investment choices.

The session will examine the emerging trends and challenges in investor education and how regulators can work together to reduce cost and enhance effectiveness of investor education.

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3:05 pm Panel Discussion and Q&A

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3:45 pm **Town Hall Session**  
Open discussions with speakers of the day

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4:30 pm "Selamat Jalan" High Tea

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5:30 pm End of Global Emerging Markets Programme 2016

The programme for the Global Emerging Markets Programme (GEMP) 2016 is correct at the time of publication. However, the Securities Commission (SC) and the Securities Industry Development Corporation (SIDC) reserve the right to change dates, the programme and speakers without notice as a result of circumstances beyond their control.

# Risk and Vulnerability of Global Markets: Reinforcing Resilience in Emerging Markets

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## SPEAKERS

### DAY 1

**Ranjit Ajit Singh**

Chairman,  
Securities Commission Malaysia

Vice Chairman,  
IOSCO Board

Chairman,  
IOSCO Growth & Emerging Markets  
Committee

**Mark Mobius**

Executive Chairman,  
Templeton Emerging Markets Group

**Lito Camacho**

Managing Director and Vice Chairman,  
Credit Suisse Asia Pacific

**Adrian Mowat**

Managing Director & Chief Emerging  
Market and Asian Equity Strategist,  
J.P. Morgan

**Ian Johnston**

Chief Executive,  
Dubai Financial Services Authority

**Dr. Nik Ramlah Mahmood**

Deputy Chief Executive,  
Securities Commission Malaysia

**Nurhaida**

Chief Executive for Capital Market  
Supervision,  
Otoritas Jasa Keuangan Indonesia

**Jane E. Jarcho**

Deputy Director of the Office of  
Compliance Inspection and Examinations,  
U.S. Securities and Exchange Commission

### DAY 2

**Ian Johnston**

Chief Executive,  
Dubai Financial Services Authority

**Nik Mohd Hasyudeen Yusoff**

Executive Director,  
Market & Corporate Supervision  
Executive Chairman,  
Audit Oversight Board,  
Securities Commission Malaysia

**Lito Camacho**

Managing Director and Vice Chairman,  
Credit Suisse Asia Pacific

**Sandip Ghose**

Director,  
National Institute of Securities Markets  
(NISM), India

**Stephen Po**

Senior Director and Head of Intermediaries  
Supervision Department,  
Securities and Futures Commission, Hong  
Kong Chair of IOSCO's Committee 3 on  
Regulation of Market Intermediaries

**Salmah Bee Mydin**

Senior General Manager, Supervision,  
Securities Commission Malaysia

**Jane E. Jarcho**

Deputy Director of the Office of  
Compliance Inspection and Examinations,  
U.S. Securities and Exchange Commission

### DAY 3

**Jane E. Jarcho**

Deputy Director of the Office of  
Compliance Inspection and Examinations,  
U.S. Securities and Exchange Commission

**Professor Rohan Gunaratna**

Head of International Centre for Political  
Violence and Terrorism Research,  
Nanyang Technology University, Singapore

**Bradley Brown**

Acting National Manager Strategic  
Intelligence and Policy,  
Australian Transaction Reports and  
Analysis Centre (AUSTRAC)

**Sandip Ghose**

Director,  
National Institute of Securities Markets  
(NISM), India

**Ahmad Fairuz Zainol Abidin**

Executive Director of Enforcement,  
Securities Commission Malaysia

**Azman Hisham Che Doi**

Chief Executive Officer,  
Securities Industry Development  
Corporation

**Vincent Poon**

Manager,  
Hong Kong Investor Education Centre

**Khairul Ridzwan Abdul Kuddus**

Deputy General Manager and Head of  
Investor Affairs and Complaints,  
Securities Commission Malaysia



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