



Suruhanjaya Sekuriti  
Securities Commission  
Malaysia



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# 10<sup>th</sup> Annual EMERGING MARKETS PROGRAMME

Managing the Regulatory Pendulum  
- Striking a Balance

24 - 30 October 2009

Conference Hall, Securities Commission Malaysia, Kuala Lumpur



# 10<sup>th</sup> Annual Emerging Markets Programme

## Managing the Regulatory Pendulum - Striking a Balance

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### Introduction

The deliberate choice for markets to be deregulated, in an attempt to promote innovation assumed maturity and self-discipline that may not have existed. As a result deregulation may not have worked very well for most developed markets. Many emerging market regulators could have followed the examples of the developed markets and found themselves in trouble as a result. With hindsight, what can emerging market regulators learn from this experience?

### EMP2009

In our 10th programme, regulators from around the world will discuss the crisis and ask the challenging question: How far should the regulatory pendulum swing and where do we strike the balance and keep it through effective enforcement?

How and why has this crisis happened? Would a strict toolkit of rules have prevented such a crisis? Will we move back from de-regulation to re-regulation? What is the best way forward? Both Rules and Principles based regulation had compelling arguments and convincing reasons that shaped the philosophies of modern market regulation.

What lessons can emerging market regulators learn from this crisis? The challenge before emerging market regulators is clear - to design **regulation, supervision and enforcement frameworks** robust enough to withstand systemic shocks to their markets and instil confidence and trust in their systems, while allowing for innovation.

### Learning outcomes

#### Participants will understand:

- How the crisis grew out of control and spread
- What were the "Red Flags" and why were they ignored?
  - Impact of macro-economic imbalances
  - Impact of mismatch between micro and macro-prudential issues
  - Interconnectedness of emerging and developed markets
  - Scale and complexity of products
  - Consequences of the opacity of transactions and lack of regulation
  - Product mis-selling and buyer ignorance
  - Role and responsibility of credit rating agencies and other infrastructure providers
  - Capital adequacy and liquidity issues
  - Lack of appropriate risk management
  - Regulatory lacunae
- Implications of the crisis and the right regulatory responses
  - Should there be more or different rules?
  - Who should be regulated?
  - Who should regulate?
  - How to mitigate systemic risk?
  - How to restore investor confidence?
  - How to enforce appropriately?

# Programme Highlights

## Saturday

24 OCTOBER 2009

9:00 am -2:00 pm City Tour

## Sunday

25 OCTOBER 2009

6:00 pm -7:30 pm "Selamat Datang" Cocktail Reception

## DAY ONE

Monday, 26 OCTOBER 2009

9:00 am Arrival of Participants  
9:15 am Keynote Address: Striking the right balance  
*Tan Sri Zarinah Anwar, Securities Commission Malaysia*

### **Setting the Stage**

9:45 am Impact on and responses of Emerging Markets to the financial crisis:  
Report of the EMC Crisis Task Force  
*Greg Tanzer, International Organization of Securities Commission (IOSCO), Spain*

10:30 am Photography session

10:45 am Refreshment

11:00 am Panel Discussion: Impact on and responses of Emerging Markets to the financial crisis:  
Report of the EMC Crisis Task Force  
*Moderator: Lito Camacho, Credit Suisse, Singapore*  
*Panellists:*

- *Greg Tanzer, International Organization of Securities Commission (IOSCO), Spain*
- *Attila Emam, Securities Commission Malaysia*
- *Dato' Ooi Sang Kuang, Bank Negara Malaysia (BNM), Malaysia*
- *Angelina Kwan, Cantor Fitzgerald, Hong Kong, China*

12:30 pm Lunch

2.00 pm Icebreaker: Getting to know you  
Facilitated by:  
*N. Sivalingam, Securities Industry Development Corporation (SIDC), Malaysia*

### **International Responses**

2:30 pm Reassessing the rationale and practice of regulation  
*Wong Sau Ngan, Securities Commission Malaysia*  
*Attila Emam, Securities Commission Malaysia*

3:30 pm Refreshment

4:00 pm Panel Discussion: International responses - Are financial systems of emerging and developed markets gradually converging?  
· The differences of responses between developed and emerging markets  
· The similarities  
· Lessons we can learn  
*Moderator: Dato' Latifah Merican Cheong, Securities Commission Malaysia*  
*Panellists:*

- *Angelina Kwan, Cantor Fitzgerald, Hong Kong, China*
- *B Mahapatra, Reserve Bank of India (RBI), India*
- *Anthony Belchambers, Futures and Options Association (FOA), UK*

5:00 pm Déjà Vu: "Red Flags" and Lessons to be re-learnt  
*John Zinkin, Securities Industry Development Corporation (SIDC), Malaysia*

5:45 pm End of Day 1

# Programme Highlights

## DAY TWO

Tuesday, 27 OCTOBER 2009

### Rethinking Regulation

- 9:15 am Managing systemic risk  
*Angelina Kwan, Cantor Fitzgerald, Hong Kong, China*
- 10:15 am Refreshment
- 10:45 am Stability and Hedge Funds: What is the future for hedge funds?  
*Marshall Mays, Emerging Alpha Advisers, Hong Kong, China*
- 11:30 am Panel Discussion: Managing systemic risk
- Dealing with market volatility and fund flows
  - The desirability of market interventions
  - Addressing economic challenges and impact
  - Managing market reaction
- Moderator: Datuk Ranjit Ajit Singh, Securities Commission Malaysia*
- Panellists:*
- *Dato' Charon Wardini Mokhzani, CIMB Group, Malaysia*
  - *Marshall Mays, Emerging Alpha Advisers, Hong Kong, China*
  - *Anthony Belchambers, Futures and Options Association (FOA), UK*
- 1:00 pm Lunch
- 2:30 pm Overview: Lessons from and responses to the crisis - An auditor's perspective  
*Dato' Johan Raslan, PricewaterhouseCoopers (PwC), Malaysia*
- 3:00 pm Panel Discussion: Lessons from and responses to the crisis
- Role of the auditors as gatekeepers
  - Fair value accounting
  - Need for independent auditor oversight
- Moderator: Eugene Wong, Securities Commission Malaysia*
- Panellists:*
- *Dato' Johan Raslan, PricewaterhouseCoopers (PwC), Malaysia*
  - *Tan Soo Yan, Ernst & Young (E&Y), Malaysia*
  - *Peter Ho Kok Wai, KPMG, Malaysia*
  - *Michael Fiore, Deloitte Touche Tohmatsu Jaiyos Co. Ltd., Thailand*
- 4:00 pm Refreshment
- 4:15 pm TOWN HALL SESSION
- 5:00 pm Day Debrief  
*John Zinkin, Securities Industry Development Corporation (SIDC), Malaysia*
- 5:15 pm End of Day 2
- 8:00 pm EMP 2009 Welcome Dinner

# Programme Highlights

## DAY THREE

Wednesday, 28 OCTOBER 2009

### Rebuilding Investor Confidence

- 9:15 am The Global Economy  
*Prakash Kannan, International Monetary Fund (IMF), USA*
- 10:00 am Refreshment
- 10:30 am Medium-term implications of the crisis  
*Prakash Kannan, International Monetary Fund (IMF), USA*
- 11:15 am Panel Discussion: Rebuilding investor confidence
- Lessons from the crisis
  - Encouraging good CG and high quality reporting
  - Role of investor education in improving public understanding
- Moderator : Datuk Ranjit Singh, Securities Commission Malaysia*
- Panellists:*
- *K.N. Vaidyanathan, Securities Exchange Board of India (SEBI), India*
  - *Loo Siew Yee, Monetary Authority of Singapore (MAS), Singapore*
  - *Marshall Mays, Emerging Alpha Advisers, Hong Kong, China*
  - *Tipsuda Thavaramara, Securities and Exchange Commission (SEC), Thailand*
- 12:00 pm Special Discussion: Libertarians or Paternalists - Lessons for emerging market regulators
- Lessons from the crisis - Models that worked and those that did not
  - Rules vs. principles and the reality of capital market business models
  - Caveat emptor?
- Moderator: Angelina Kwan, Cantor Fitzgerald, Hong Kong, China*
- Panellists:*
- *Representative, Securities and Exchange Commission (SEC), USA*
  - *Tipsuda Thavaramara, Securities and Exchange Commission (SEC), Thailand*
- 12:45 pm Day Debrief  
*John Zinkin, Securities Industry Development Corporation (SIDC), Malaysia*
- 1:00 pm Lunch and End of Day 3
- 2:00 pm MID-TERM BREAK (Counterpart Meetings etc)

## DAY FOUR

Thursday, 29 OCTOBER 2009

### Enhanced Supervision and Enforcement

- 9:15 am Rediscovering the need for enhanced supervision  
*Representative, Securities and Exchange Commission (SEC), USA*
- 10:00 am Refreshment
- 10:15 am Supervise, supervise, supervise - Case Study 1  
*Representative, Securities and Exchange Commission (SEC), USA*
- 11:00 am Enforcement strategies and international cooperation - Case Study 2  
*Andrew Cotterell, Securities and Futures Commission (SFC), Hong Kong, China*
- 11:45 am TOWN HALL SESSION
- 12:45 pm Lunch
- 2:15 pm Panel Discussion: Regulatory tools for effective enforcement
- Is there a case for more legal authority in emerging markets?
  - Pre-requisites to effective enforcement
  - What works best to effectively enforce compliance in emerging markets
- Moderator: Representative, Securities and Exchange Commission (SEC), USA*
- Panellists:*
- *Hon. Fe B. Barin, Securities and Exchange Commission (SEC), Philippines*
  - *Andrew Cotterell, Securities and Futures Commission (SFC), Hong Kong, China*

# Programme Highlights

- *Wong Sau Ngan, Securities Commission Malaysia*
- 3:15 pm Refreshment
- 3:45 pm Enforce, enforce, enforce - Case Study 3  
*Shanti Geoffrey, Securities Commission Malaysia*
- 4:30 pm Enforce, enforce, enforce - Case Study 4  
*K.N. Vaidyanathan, Securities and Exchange Board of India (SEBI), India*
- 5:15 pm Day Debrief  
*N. Sivalingam, Securities Industry Development Corporation (SIDC), Malaysia*
- 5:30 pm End of Day 4

## DAY FIVE

Friday, 30 OCTOBER 2009

### **Rethinking Financial Infrastructure**

- 9:00 am Special presentation: Going forward: What will it mean for Regulation in Emerging Economies?  
*Datuk Seri Panglima Andrew Sheng, Universiti Malaya, Malaysia*
- 10:00 am Book Autograph Session: 'From Asian to Global Financial Crisis'  
by Datuk Seri Panglima Andrew Sheng
- 10:15 am Regulation in Emerging Markets: Philippines' Experience  
*Hon. Fe B. Barin, Securities and Exchange Commission (SEC), Philippines*
- 11:00 am EMP 2009 programme wrap-up  
*John Zinkin, Securities Industry Development Corporation (SIDC), Malaysia*
- 11:10 am Brunch and "Selamat Jalan"
- 12:00 pm End of EMP 2009

#### **Dress code:**

- For lectures, participants are required to dress in office attire.
- For formal occasions, participants can wear their national costumes or appropriate office attire.

All information are correct at the time of printing (October 2009)

The organiser reserves the right to amend the programme content as deemed appropriate.

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