



# The Unintended Consequences of Global Regulation

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# Context – Australia's Open Financial System

- 52 Authorised foreign banks
- Significant foreign firm representation -
  - Syndicated loans
  - DCM
  - ECM
- Quick global regulation transmission



# Direct impacts

## ■ Official Global Standards

- Examples - Bank for International Settlements, IOSCO, FATF
- Local approach and interpretation important

## ■ Extraterritorial Measures

- Examples – Dodd Frank Act, European benchmarks regulation, MiFID 2
- Equivalence and substituted compliance important



# Downstream Impacts

- Transfer by adoption of overseas policy ideas
- Transfer via global firms internal policies
- Transfer by business conduct and behaviours
- Complex interactions with local laws eg taxation

# Global Conduct Standards

## ■ Global FX Code

- True global standard backed by central banks
- AFMA endorsement and operation of Australian register

## ■ UK FICC Markets Standards Board

- Developed in London for global application by member firms
- AFMA issues wholesale industry conduct standards in Australia



# Some management options

- Domestic regulator participation in global standard setters
- Industry working with regulators on cross-border matters
- Regional regulator liaison
- IOSCO co-ordination of cross—border regulation
- Engagement with standard setters
- Industry Forums (ASF, ICSA etc)



# Discussion

- Q&A

