

Asia Securities Forum 2014.

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Capital Market Trends and Implications.

Angus Kent CFA.

Advisory.....Time Zero



# Global Progress?

David Wright, Secretary General

International Organisation of Securities Commissions (IOSCO)

Q&A following his address to The Atlantic Council, Washington DC, 10 December 2012

Q: *“How far have we [financial services regulators] come in reforming the financial sector since the crisis began 6 years ago?”*

A: *‘I think we’re maybe four or five along the line of 10.’*

Q: *“And the national implementation of global principles and the resulting issues of extraterritoriality?”*

A: *‘...this is a dog’s breakfast, you know, and it’s getting worse. It will get worse. That’s my point.’*

# What else is setting the regulatory change agenda?

## Regulator Action

- Court action
- Fines / Penalties
- Loss of Licence
- Enforceable Undertakings
- Regulatory Guides
- Influencing of market participants

## Significant Market Incidents

- Need to regain market confidence leads to self imposed higher standards

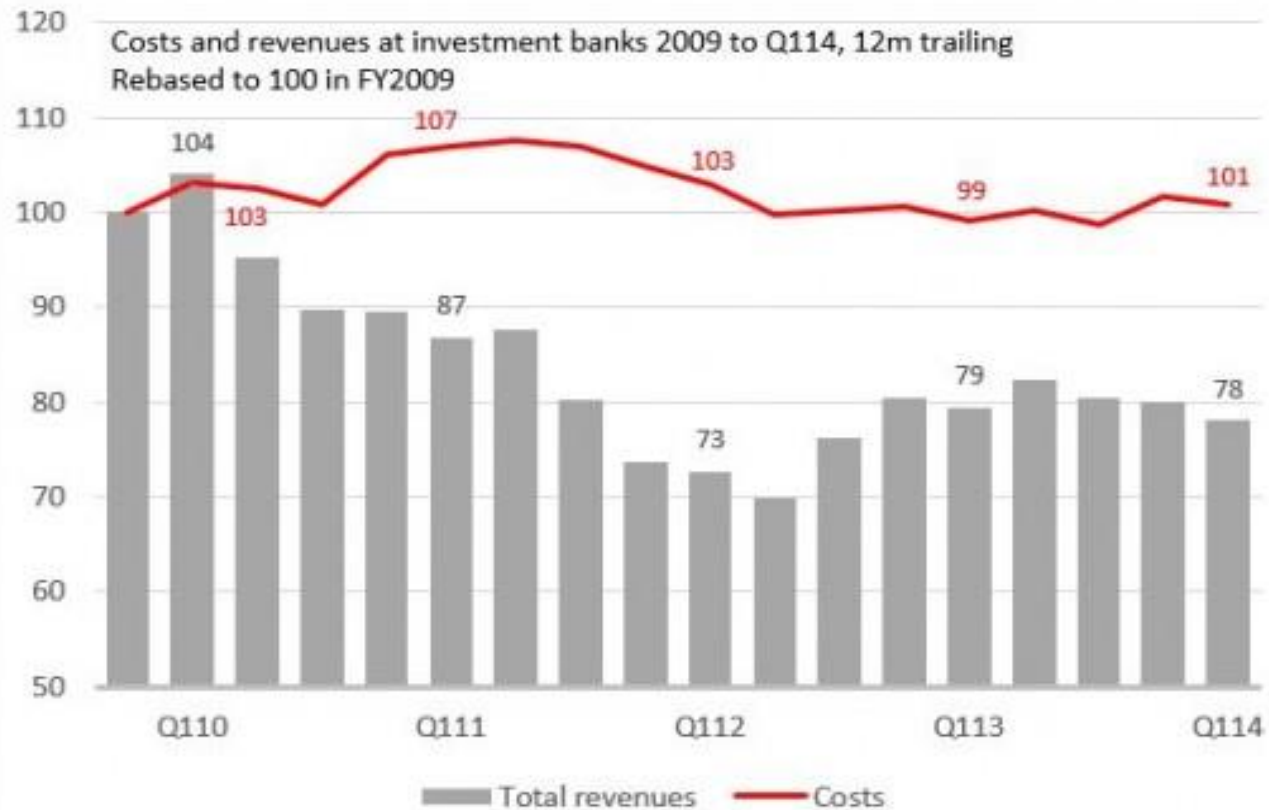
## Legal Precedent

- Effecting change by creating new precedent

# What are the structural challenges

- Buy side structural change: CSA's
- What is research really worth v. cost of execution.
- Capital requirements v. Investment in infrastructure
- Commission wallet basically flat in Asia for 8 years.

## Cutting costs, Wall St style



Note: excludes CVA / DVA and FVA

Sample: 14 large investment banks / corp and inv bank divisions

Source: New Financial LLP