Asia Securities Forum 2014.

Bangkok 2014.

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

Costs and revenues at investment banks 2009 to Q114, 12m trailing
Rebased to 100 in FY2009

Note: excludes CVA / DVA and FVA
Sample: 14 large investment banks / corp and inv bank divisions
Source: New Financial LLP