



Welcoming remarks at the CNMV International Conference on “Securities Markets: The Crisis and the Challenges Ahead”.

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Good morning ladies and gentlemen. It is my pleasure to welcome you to Madrid for this conference organized by the Comisión Nacional del Mercado de Valores –the Spanish Securities Markets Commission. This is the first time that this institution organizes an event like this and, hopefully, will not be the last one.

Having started my career as an academic, I am very delighted to see how so many talented researchers from all over the world are paying increasing attention to matters that are of the utmost interest for securities regulators and supervisors.

Hence, I would like to first thank the impressive group of speakers for providing us with a nice piece of the frontier of top-quality research on financial markets. Also my gratitude goes to the members of the scientific committee, the discussants and panellists of tomorrow’s round table, the people throughout the CNMV who have worked to make this event possible and, of course, to the audience for joining us today.

The title of the conference, “Securities markets: The crisis and the challenges ahead” expresses in a compact way much of my institution day-to-day work.

On the one hand, we are still in the middle of the worst global financial crisis in decades. A crisis that, although was not originated within the remit of securities markets, has posed so many first-order challenges to securities supervisors on a variety of fronts. For instance, much effort has been devoted by the CNMV to protect investors’ rights in the middle of this huge storm, to enhance the level of transparency in our markets and the products traded therein and, in general, to preserve the integrity and the well-functioning of the portion of the financial system under our competence.

On the other hand, we are embarked at this moment in the most ever intense process of revision of the financial regulation at the global, European and national level. The continuous changes that are taking place in the financial sphere, including those related to technological developments, the emergence of new products, agents and market venues or the ongoing processes of restructuration of some important pieces of our financial system, make this regulatory effort even more complex.

Looking ahead, our success in our dual role of supervisors and active contributors to the ongoing regulatory debate will depend critically on our ability to extract the right lessons from this crisis and, to some extent, to anticipate the consequences of the aforementioned changes, including those coming from new regulations. In short, our

success will depend –let’s put luck aside- on our analytical capacity. We need good analysis to interpret the past, understand the present and anticipate the future.

The programme of this conference is plagued of such good analysis. As I have mentioned before, I feel particularly impressed by the ability of the financial branch of the economics profession to place their interests on those areas that at this moment are important for a wide audience, including market participants and regulators. For instance, at a time at which regulators are debating on how to best deal with some recent phenomena, like the rapid growth of high frequency trading or the increasing trend in market and liquidity fragmentation, it is just great to have rigorous pieces of research at hand, like some that will be presented later in this room. A similar reflection can be made in relation to some other areas in which some of the conference speakers will contribute along the next two days, including the trading dynamics in equity markets and their connection to derivatives, the effect of speculative investors on assets price formation or the market impact of the analysts’ reports. The program also brings a good dose of learning-from-the-crisis, which I am sure that will be a very much appreciated input to help us understand what went wrong.

Finally, the concluding panel on financial stability will pose a unique opportunity to bring together the views from securities regulators, from both sides of the Atlantic, the industry and a distinguished European central banker –a nice group to reflect, together with the audience, on this so far-reaching and timely topic.

To sum up, I am convinced that all the contributions listed on the program are of direct interest to academics and policymakers alike, with a clear potential to contribute to better-informed securities markets regulation. At the CNMV, we will continue to encourage this kind of high-quality research which adds real value to our own decision-making processes.

I welcome you to the CNMV International Conference and I wish you a stimulating and productive work.

Thank you very much.