



Welcoming remarks
by
YBhg Datuk Ranjit Ajit Singh
Chairman, Securities Commission Malaysia
at the
World Capital Markets Symposium 2013
Kuala Lumpur, Malaysia
22 October 2013

Your Royal Highness Raja Dr Nazrin Shah Ibni Sultan Azlan Muhibbuddin Shah,
Regent of Perak Darul Ridzuan;

The Honourable Dato' Sri Mohd Najib bin Tun Abdul Razak,
Prime Minister of Malaysia;

Yang Berhormat Senator Dato' Sri Abdul Wahid Omar,
Minister in the Prime Minister's Department, Malaysia;

Excellencies, esteemed speakers, distinguished guests;

Members of the media, ladies and gentlemen.

1. A very good morning to all of you, and welcome to the World Capital Markets Symposium 2013. Let me also extend a very warm welcome to our foreign delegates who are here from over 40 countries.
2. The symposium this year is certainly very significant to the Securities Commission because, not only does it continue the traditions of the previous

two symposiums, but it is also being held in a year in which the SC is celebrating its 20th Anniversary. We are certainly delighted to have such a large presence of guests and very high-quality speakers at the symposium this year.

3. Before we begin, I would like to first extend my deepest gratitude to His Royal Highness Raja Nazrin Shah for his gracious and continuous support for the work of the SC and for honouring us with his presence today. Thank you, Tuanku.
4. I am also extremely grateful for the presence of the Honourable Prime Minister, who, despite a gruelling schedule on both the domestic and international level, has found time – in a week where he is due to present the Federal Budget in Parliament – to open the WCMS and deliver the keynote address this morning.
5. We are very privileged and honoured, Sir, to have you here today – thank you very much for your presence.

Redefining markets

Ladies and gentlemen;

6. In arriving at the theme for this year's World Capital Markets Symposium, it became apparent to us that, five years on from the collapse of Lehman Brothers, markets still need to be redefined, and trust and confidence have yet to be fully restored. In our view, it is clear that for markets to regain their vibrancy, the following three imperatives are critical: *sustainability*, *inclusiveness* and *systemic resilience*.
7. One of the key challenges we currently face is how to return markets to their rightful role as enablers of growth, not only for the present but also the future. To achieve this, it is essential for us to place sustainability at the centre of any discussion on the role and purpose of markets. Issues of sustainability and growth carry particular resonance for emerging markets like Malaysia, and many others, as the capital market plays a crucial role in driving the structural economic transformation of these countries.

8. Given that such transitions are highly dependent upon the availability of long-term financing, it is imperative for us to ensure that markets can continue to fulfil their role of aggregating and channelling capital into long-term productive investments.
9. However, the sustained ability of markets to fulfil this role is conditional upon their capacity to withstand periods of stress and uncertainty, as we periodically witness in the world today. Hence, the need to strengthen *resilience* has become acute, particularly as markets become interconnected and interdependent through constant innovations in finance and technology.
10. From our experience, a robust and effective regulatory framework is critical in building systemic resilience in the capital market.
11. At the same time, resilience also depends on the internal composition of markets. Diverse capital markets are more likely to display greater systemic stability and resilience. For this reason, we must also focus our efforts in promoting greater *inclusiveness and diversity* in capital markets.
12. This means encouraging greater participation by a wider group of investors; promoting greater diversity of financial and ancillary services; and providing innovative solutions to meet the financing needs of a broader range of businesses and ventures.
13. Inclusiveness also has to extend beyond domestic markets. The need for international coordination, given the increasingly cross-border nature of markets and its attendant risks, is crucial. Such co-ordination is necessary to ensure that regulatory responses do not generate adverse unintended consequences.
14. To achieve this, decisions must be made in a manner that is wider and more inclusive. In particular, Asia and emerging markets have to play a more active and decisive role in shaping the architecture of international finance. Only then can we collectively arrive at solutions that are truly effective and globally

relevant.

Embedding sustainability, inclusiveness and resilience in the Malaysian capital market

Ladies and gentlemen;

15. These considerations have guided our approach to regulation and development of the capital market in Malaysia for the past 20 years. From the perspective of the SC, redefining markets requires going beyond merely changing rules and designs; it has meant complementing the existing architecture with market segments that promote sustainability, resilience and inclusiveness.
16. Recognising the importance of market-based channels for long-term financing, we have undertaken extensive efforts to deepen the country's bond market. Today this market has become the fourth-largest bond market in Asia, amounting to RM1 trillion (US\$315 billion) in outstanding value.
17. Our efforts to develop the Islamic capital market have created opportunities for shariah-based investment and financing, and provided scope for the emergence of a new class of intermediaries and Islamic financial services providers, thus establishing us as the world's largest Islamic capital market.
18. The institutionalisation of savings, including pension reform, has widened access to long-term investment and this has been an imperative for us in Malaysia. This has allowed strong institutional market segments to flourish in the country, enabling significant amounts of capital to be mobilised through the capital market. Today, total assets under management amount to more than half a trillion ringgit.

WCMS as a platform for thought leadership and dialogue

Ladies and gentlemen;

19. To achieve these broad aims at the global level, the conversation of finance needs to change; our points of reference must shift; and we must re-think and

revisit the conventional wisdom behind the existing paradigms that have shaped our economies and thoughts.

20. And it is for these reasons that the SC has instituted the World Capital Markets Symposium. The frank discussions and debate during this symposium are intended to catalyse the creation of a sound body of intellectual capital on the ecosystem of markets.
21. This is particularly important for the SC as we believe that a holistic understanding of the broad context against which markets operate – including the operating environment, intellectual paradigms that influence policymaking, and the role of regulatory design – is crucial in enabling us to regulate and develop the capital market more effectively.
22. This year, we are fortunate to have speakers who are at the forefront of global thought-leadership in the areas that I have highlighted. Fareed Zakaria is an expert in the implications of geopolitical affairs on markets and we will shortly hear his view, particularly from the perspective of emerging markets. Lord Adair Turner has deep experience, and has questioned the conventional wisdom behind macroeconomic and financial policies, and the intellectual philosophies that underpin them. And Sheila Bair, with direct experience of the financial crisis, is well-placed to share with us views on regulatory and institutional design.
23. But it is not just these three keynote speakers; we are also privileged to have a diverse and experienced line-up of speakers comprising senior policymakers, leading CEOs, international standard-setters, as well as academic thinkers and other global thought leaders.
24. I would like to extend my appreciation to all the speakers and moderators, our partners in the organisation of the WCMS including our media partners, and to all our guests here this morning.

Conclusion

Ladies and gentlemen

25. I look forward to the discourse and conversations that we will have over the next two days. We may find that we raise more questions than we have answers to. But the value we derive will be from the conversations themselves, and it is this process that will help shape the thinking behind how we redefine markets to achieve sustainable growth and resilience.

Thank you.