

REMARKS
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EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION
AT THE
EASTERN CARIBBEAN SECURITIES MARKET
CERTIFICATION WORKSHOP AND EXAMINATION
20 TO 24 OCTOBER 2003

The Eastern Caribbean Central Bank and the Eastern Caribbean Securities Regulatory Commission are pleased to be collaborating to bring you the fifth in the series of Securities Market Certification Workshops. All participants will already be familiar with the Central Bank, but perhaps less so with the Commission which is gradually being brought into your consciousness, and is a process we would wish to accelerate. The Commission is that body which has been given responsibility for undertaking the regulatory function in the Eastern Caribbean Securities Market. It comprises five Commissioners and is mandated to regulate the Securities Exchange and all other participants in the Securities Market. These would include other stock exchanges, depositories, broker-dealers, investment advisers, mutual funds and public holding companies. Apart from the monitoring and supervision of all persons engaged in the securities industry, the Commission is also charged with the critical function of promoting investor protection and ensuring integrity of licensed participants.

In my brief remarks this morning, I should like to take your minds beyond this week's training and certification examinations to focus on the changing trends with which you will be confronted and would need to fashion appropriate responses.

The market for ideas is one of the more recent phenomena to be observed in international business. In July of this year, Idea Markets made an unexpected appearance in the

headlines as the Pentagon was taken to task for its plan to use such a tool to help pinpoint terrorism targets. The plan was that the market would be allowed to have participants trade their opinions on where terrorists were most likely to strike, in much the same way as one trades securities or commodities in other markets. Officials believed they would learn something worthwhile from the relative value that traders placed on different targets. Fortunately or unfortunately depending on your perspective, the lawmakers saw this to be in poor taste as a market built around terrorists' strikes could serve as a means to provide ideas to terrorists. And the project was scrapped.

Originally conceived as an academic toy, Idea Markets are fast becoming a practical business tool. Today, software for idea markets is available from several vendors and some firms and researchers have substantial experience in designing and running these markets. Businesses in Europe and the USA are beginning to apply these markets to the forecasting of industry trends and even the picking of merchandise categories that will be most popular with consumers. In time, Idea Markets are likely to play a vital role in evaluating uncertain investments in R and D, new technology ventures, patents and other intangible assets, but they should only be used as one tool and input to decision-making.

In sports, also, one can vividly recount the changes that have taken place in the Olympic games over the twentieth century: Times have decreased, heights have risen and distances lengthened. Much of this is attributed to human conditioning, for example better nutrition and a clearer understanding of physiology, have become more sophisticated as the years have passed. A fine example is that of the equipment change – the bodysuit which the record-breaking American and Australian swimmers wore in the Sydney Olympics. Swimmers claim the suits enhance performance and we should all be grateful for one performance enhancer that does not take the form of illegal steroids.

What does all this have to do with a Securities Market Certification Workshop? The certification process you are about to embark upon will provide you all with the

necessary skills to enter and operate in the Eastern Caribbean Securities Market. This is just the beginning, for you would need to be engaged in continuous learning and self-development. You would need also to be cognizant of the ever-changing environment in which you operate, if you are to be at the cutting edge of new ideas and new technological developments.

Our securities market platform is state of the art. But if we allow ourselves to stagnate, we will wither and die while others pass us by. As vital players in the market, you have the onerous responsibility of keeping abreast of new development elsewhere and analyzing their relevance to our particular circumstances/environment.

I feel confident I can now leave you in the knowledge that you are fully aware that your remit goes far beyond the formal training and examination exercises in which you will be engaged during the next five days. I trust that you will find the experience a rewarding one.

20 October 2003