

MONDAY, APRIL 22, 2002, 10:30 am - 12:15 pm

Policy Frameworks for Capital Market Development

A market economy needs capital markets to foster economic growth by channeling savings into investment. Capital markets facilitate the ability of both private enterprises and government to issue securities and raise funds for investment and cash-management needs. They provide secondary market liquidity necessary for capital turnover, and a price discovery mechanism to ensure that capital is priced realistically and allocated efficiently.

Governments can lay the foundation for capital market development by establishing an effective policy framework. Elements of such a program may include: (1) implementing policies that encourage companies to seek long-term debt and permanent equity financing; (2) removing disincentives and establishing incentives to increase the demand for securities; (3) providing necessary protections for investors to increase their confidence in markets; (4) encouraging the development of a financial intermediaries and clearing organization; (5) improving disclosure and accounting standards to provide more reliable information to investors; and (6) educating investors, issuers, and policy makers about capital markets.

This session will address important factors to be considered in the preparation and implementation of a capital market development program.

Chair: SEC Commissioner Isaac C. Hunt, Jr.

**Speakers: Mariano Bengoechea, Vice President and Development Director,
Emerging Markets Division, Citibank N.A.**

**K. Philippa Malmgren, Special Assistant to the President for
Economic Policy**

**Michael Pomerleano, Lead Financial Specialist, Financial Sector
Development Department, The World Bank**

**Benn Steil, Andre Meyer Senior Fellow in International Economics,
Council on Foreign Relations**

**Readings: Stijn Claessens, Simeon Djankov, and Daniela Klingebiel,
“Stock Markets in Transition Economies,” Financial Sector
Discussion Paper No. 5, World Bank (September 2000).**

**Michael Pomerleano, “The morning after: Restructuring in the aftermath
of an asset bubble” (October 2001)**

**Benn Steil, “Borderless Trading and Developing Securities Markets,”
Paper presented at World Bank, IMF, Brookings 3rd Annual Financial
Markets and Development Conference (April 2001).**

**“Securities Market Development: A Guide to Policy Makers”,
World Bank Economic Development Institute/IFC Capital
Markets Department (May 1997), will be distributed prior to
this session.**

MONDAY, APRIL 22, 2002, 1:30 pm - 3:15 pm

Legal Frameworks for Capital Market Development

Securities markets require suitable legal and regulatory frameworks to reduce uncertainty and risk. In particular, market transactions must be enforceable on a timely basis through a legal system that fosters responsible behavior by all parties. Both government regulation and enforceable private contracts are essential in defining the rights of parties to financial transactions.

This panel will focus on legal infrastructure for effective regulation and private contract law. The panelists will address the respective roles played in the U.S. legal system by government regulators and others, including self-regulatory organizations and the legal profession. The legal framework for securities regulation also will be considered in the context of the IOSCO Objectives and Principles of Securities Regulation and as it relates to corporate governance and the objectives of obtaining predictable and prompt decision making, providing legal incentives for transactional fairness and facilitating capital formation.

Speakers: Michael D. Mann, Partner, Richards Spears Kibbe & Orbe

Robert D. Strahota, Assistant Director, SEC Office of International Affairs

William J. Williams, Jr., Partner, Sullivan & Cromwell

Readings: "Developing Securities Markets: Key Elements of a Legal Regime – A Work in Progress" (February 11, 1997).

IOSCO Objectives and Principles of Securities Regulation (revised through December 17, 2001).

MONDAY, APRIL 22, 2002, 3:30 pm - 5:15 pm

Overview and Structure of the U.S. Securities Industry

A secondary securities market provides liquidity by bringing buyers and sellers of securities together. It captures their orders and transforms them into trades. A secondary market: (i) enables investors to more easily convert their security holdings into cash; and (ii) provides a price discovery mechanism which facilitates investment decisions and offers an independent market valuation of performance by a company's management. Secondary markets can be either dealer markets or auction markets. The Nasdaq and New York Stock Exchange speakers represent dealer and auction markets, respectively, and will describe their markets.

Investment companies permit investors to participate in the securities markets by pooling their funds and investing in a portfolio of securities selected and managed by professional investment advisers. The presentation by the Investment Company Institute representative will focus on the most popular type of investment company in the U.S., the open-end investment company or mutual fund, which offers shareholders the right to purchase and redeem fund shares based upon net asset value per share. Two other types of investment companies are: (i) closed-end funds, whose shares are not redeemable but may be purchased and sold in secondary market transactions at prices above or below net asset value per share; and (ii) unit investment trusts, which offer units of participation in a fixed portfolio of securities.

Chair: Robert L. D. Colby, Deputy Director, SEC Division of Market Regulation

**Speakers: Eugene A. Lopez, Senior Vice President – Trading and Market Services,
The Nasdaq Stock Market**

**Mary Podesta, Associate Counsel - International, Investment Company
Institute**

James Shapiro, Vice President- Asia-Pacific, New York Stock Exchange

Readings: "The Organization and Operation of a Mutual Fund" ICI (April 1997).

Additional materials will be distributed prior to this session.

TUESDAY, APRIL 23, 2002, 9:00 am - 10:45 am

Self-Regulation and Government Oversight

The speakers in this session will discuss the role of government and self-regulation in the U.S. securities markets and the applicability of that regulatory model to countries with new or developing securities markets.

In enacting the securities acts, Congress left much of the responsibility for regulating the securities markets to self-regulatory organizations (SROs) under SEC oversight. These SROs are required to be registered with the SEC. They include the stock exchanges and the National Association of Securities Dealers. Much of the inspection and regulation of entities engaged in the securities business is done by self-regulatory organizations. SROs are also primarily responsible for market surveillance and for rule enforcement with respect to their members. SROs have adopted rules which require their members to have adequate supervisory and compliance procedures. SROs must obtain SEC approval for the rules by which they govern their members and activities, and like the SEC's own proposed rules, SRO proposed rules are published for notice and comment.

Chair: James R. Doty, Partner, Baker & Botts

Speakers: Richard Bernard, General Counsel, New York Stock Exchange

**T. Grant Callery, Senior Vice President and General Counsel,
National Association of Securities Dealers**

Phillip D. Parker, Counsel, Debevoise & Plimpton

**Reading: Phillip D. Parker, Debevoise & Plimpton, "The Concept of Self
Regulation Under the Federal Securities Laws" (March 19, 2002).**

TUESDAY, APRIL 23, 2002, 11:00 am - 12:45 pm

Managing a Securities Commission

Three of a securities commission's most important resources are: (i) competent personnel who are dedicated to carrying out the agency's mission; (ii) a budget that enables them to do so; and (iii) technology that facilitates their ability to monitor markets and process information. To manage a commission successfully, however, it is also necessary to incorporate these resources into an organizational structure that facilitates prompt and objective decision-making, is responsive to enforcement problems that threaten investor confidence in the market place and is accountable under law. The speakers on this panel will discuss how the SEC is established and organized to obtain and effectively utilize these resources in the regulatory process. Topics covered will include:

- the SEC's budgetary process;**
- the guidelines that the SEC follows in attracting and retaining professional employees, including agency and government-wide regulations designed to ensure ethical conduct;**
- the information technology used to create the SEC's disclosure, regulatory and enforcement data bases, including electronic filing and case tracking systems;**
- the manner in which SEC commissioners are appointed;**
- the decision-making process within the SEC; and**
- the SEC's relations with Congress, the Executive Branch and the courts.**

Speakers: Barbara B. Hannigan, Ethics Counsel, SEC Office of General Counsel
Arthur Laby, Assistant General Counsel, SEC Office of General Counsel
William F. Wiggins, Senior Management and Program Analyst,
SEC Office of the Executive Director

Readings: "Managing a Securities Commission: SEC Budget and Staffing Charts,"
prepared by SEC Office of Executive Director (April 2002).
Jonathan G. Katz, "The U.S. Securities and Exchange Commission:
Organization and Operation," (1999).
Barbara B. Hannigan and William Lenox, "Outline of Rules
of Ethics for Employees and Officials of a Securities
Regulatory Agency" (March 22, 2002).

TUESDAY, APRIL 23, 2002, 2:00 pm - 3:45 pm

Overview of Market Regulation

This session will provide an overview of the U.S. approach to the regulation of the securities markets and their participants.

Because of the important economic role that secondary securities markets play, it is critical that these markets be fair, orderly and efficient. The U.S. approach strives to maintain the integrity of its securities markets through a regulatory structure with appropriate minimum standards for trading activity, adequate clearance and settlement safeguards and a means for achieving investor protection, all in a system that preserves free and open competition. Registration and prudential regulation requirements for broker-dealers as well as market transparency principles and fair trading procedures, all help to promote market integrity.

**Speaker: Catherine McGuire, Associate Director and Chief Counsel,
SEC Division of Market Regulation**

**Readings: "Markets and Regulation: Overview 2002," SEC Division
of Market Regulation (April 2002).**

TUESDAY, APRIL 23, 2002, 4:00 pm - 5:30 pm

Clearance and Settlement

This panel will focus on the importance of a sound clearance and settlement system to the operation and development of markets.

Congress has directed the SEC to facilitate the establishment of a national clearance and settlement system. In executing this mandate, the SEC's Division of Market Regulation has registered and oversees the operations of several clearing agencies (including clearing corporations and securities depositories), ensuring that clearing agency rules promote the prompt and accurate clearance and settlement of securities transactions. The two primary clearing agencies for corporate securities in the U.S. are the National Securities Clearing Corporation and the Depository Trust Company which are organized under a single holding company, Depository Trust & Clearing Corporation.

As the primary regulator, the SEC oversees and guides efforts to promote securities certificate immobilization, depository eligibility of securities issues, cross-margining of securities and futures, coordination among clearing agencies and between them and their foreign counterparts, and identification and elimination of state law impediments to the transfer, pledge, and perfection of interests in securities. The SEC also reviews clearing agency rules to ensure, among other things, that the agencies act prudently and promote the prompt and accurate clearing and settlement of transactions.

Chair: Jennifer Lucier, SEC Division of Market Regulation

Speakers: Cecilia Humphrey, Director, International Division, Depository Trust & Clearing Corporation

Ester Saverson, Jr., Assistant Director, SEC Office of International Affairs

Readings: "Delivery Versus Payment and Settlement Assurance Procedures in Securities Settlement Systems in the Americas," Report of the COSRA Working Party on Clearance and Settlement (February 19, 2002).

"Recommendations for Securities Settlement Systems," Consultative Report of the CPSS-IOSCO Joint Task Force on Securities Settlement Systems: Bank for International Settlements (November 2001).

WEDNESDAY, APRIL 24, 2002, 9:00 am - 10:45 am

Overview of Inspections and Examinations

Periodic inspections and examinations of market participants are essential to monitor compliance with the securities laws. This session will provide an overview of SEC inspections and examinations of registered market participants, including broker-dealers, investment advisers, investment companies, stock exchanges and other SROs. The speakers will address how the SEC plans and conducts such examinations and inspections, including the type of information it seeks.

**Speakers: Lou Becka, Assistant Director, Office of Investment Company/
Investment Adviser Examinations, SEC Office of Compliance Inspections
and Examinations**

**Eric Swanson, Assistant Director, Office of Market Oversight, SEC Office
of Compliance Inspections and Examinations**

**Readings: Lou Becka, "Oversight of Mutual Fund Business and Investment Activities"
(April 24, 2002).**

**Lori A. Richards and John H. Walsh, "Compliance and Inspections
and Examinations by the Securities and Exchange Commission," The
Business Lawyer, vol. 52, No.1 (November 1996).**

**See also the readings under Overview of Investment Management,
April 24, Tab II, and the Overview of Market Regulation, April 23, Tab III.**

WEDNESDAY, APRIL 24, 2002, 11:00 am - 12:45 pm

Overview of Investment Management

An investment company essentially is an issuer that is primarily engaged in the business of investing in securities through the pooled use of investor funds. Investment companies and certain investment advisers, registered entities that advise investors about the value of securities, are regulated by the SEC pursuant to the Investment Company Act of 1940 and the Investment Advisers Act of 1940, respectively. Banks, insurance companies, and certain other institutions are exempted from the statutory definition of an investment company.

Investment company regulation has the following objectives: (1) definiteness in an investment company's purpose, form, and management; (2) honesty in an investment company's representations; (3) fairness in an investment company's pricing; (4) ceilings on an investment company's sales loads and restrictions on its use of fund assets to promote sales of fund shares; (5) limits on investment adviser compensation; (6) protection of an investment company's assets; (7) integrity of an investment company's management and protection of investors in the event of impropriety by an officer or director; (8) checks on management through independent directors and auditors and through shareholder elections; (9) restrictions on the leveraging of investment company assets; and (10) accommodation of investment company innovation.

This session will examine the fundamentals of investment company and investment adviser regulation.

Speaker: Douglas J. Scheidt, Associate Director and Chief Counsel, SEC Division of Investment Management

Readings: "The Regulation of Investment Companies in the United States," prepared by the SEC Division of Investment Management (April 2002).

"The Regulation of Investment Advisers in the United States," prepared by the SEC Division of Investment Management (April 2002).

WEDNESDAY, APRIL 24, 2002, 2:00 - 3:45 pm

Overview of the Disclosure Process

Disclosure is one of the most essential components of the federal securities laws. Investors are best able to make informed investment decisions when they have access to full and fair disclosure regarding an issuer, its securities and the transactions in which such securities are being issued. In addition, secondary market trading depends on a continuous stream of current information.

The U.S. securities laws generally focus on the disclosure of material information rather than on a regulatory judgment regarding the merits of the issuer or its securities. There are detailed disclosure requirements as well as a general requirement that the materials used in connection with an offering not contain any material misstatements or omissions. Under this full disclosure approach, individual investors, rather than the regulators, have responsibility for evaluating the merits of an investment in the issuer's securities. As a practical matter, institutions and other sophisticated investors, as well as individual investors, often rely on financial analysts, rating agencies, investment advisers, brokers, or other securities professionals to evaluate the information and assist them in making an investment decision.

**Speaker: Paul Dudek, Chief, Office of International Corporate Finance,
SEC Division of Corporate Finance**

**Reading: "Overview of Disclosure Under the Federal Securities Laws," SEC
Division of Corporation Finance (April 2002).**

WEDNESDAY, APRIL 24, 2002, WORKSHOP 1, 4:00 pm - 5:30 pm - ROOM 5600

Money Laundering Issues

Money laundering -- the process of introducing illegal proceeds into the legitimate stream of commerce by concealing their origin-- is a global phenomenon of enormous reach. National and international counter-money laundering efforts help us defend the integrity of our financial system and institutions against the disruptive influence of such activity.

Many regulatory and criminal authorities, including securities regulators, contribute to the fight against money laundering. For example, although money laundering is not a violation of the US securities laws, securities fraud, which is investigated and prosecuted by the SEC, may be a predicate to money laundering. Moreover, money laundering may be accomplished through acts that separately violate the securities laws. Indeed, a wash sale undertaken as part of a money laundering scheme would constitute illegal securities activity. In taking action against securities fraud and monitoring for illegal market transactions, securities regulators complement the work of law enforcement authorities charged with combating money laundering.

Securities regulators have an important stake in protecting their institutions and markets from money laundering. A securities firm that is corrupted by money launderers, as by any other fraudsters, creates serious risks for its customers and other participants in the financial markets. Rooting out money laundering supports securities regulators' primary mission of regulating markets and market participants.

When performing market surveillance and investigating fraud, securities regulators rely on a comprehensive regulatory scheme that puts into effect requirements relating to record-keeping, reporting and customer identification. These requirements not only assist the regulator in the performance of its primary functions, but also establish a body of information that is useful to law enforcement authorities seeking to prevent, detect, investigate or prosecute money laundering. The speakers will address the interaction between record-keeping, reporting and customer identification requirements underlying a securities regulatory regime and an effective anti-money laundering program.

Chair: Ethiopis Tafara, Assistant Director, SEC Office of International Affairs

Speakers: Daniel Glaser, Special Advisor on Money Laundering, Enforcement, US Department of the Treasury

William Murden, Director, Office of International Banking and Securities Markets, and Director, Task Force on Terrorist Financing, US Department of Treasury

Roger Weiner, Special Counsel, Criminal Division and Terrorism and Violent Crime Section, US Department of Justice

Readings: "Report on Money Laundering," IOSCO Technical Committee.

"The Forty Recommendations," Financial Action Task Force on

Money Laundering (1996).

WEDNESDAY, APRIL 24, 2002, WORKSHOP 2, 4:00 pm - 5:30 pm - ROOM 1C30

Securities Investor Protection Corporation

The Securities Investor Protection Corporation ("SIPC") was created in 1970. SIPC is a non-profit membership corporation of which all registered broker-dealers, with some limited exceptions, are members. SIPC ensures that customers of SIPC members receive back their cash and securities in the event of a SIPC member's liquidation, up to \$500,000 per customer, except that claims for cash are limited to \$100,000 per customer. If a member fails financially, SIPC may ask a federal court to appoint a trustee to liquidate the firm and protect its customers, or, in limited situations involving smaller firms, SIPC may protect the customers directly. SIPC is funded by assessments on its members and the interest earned on fund assets. The SIPC fund currently totals about \$1 billion. In addition, SIPC has access to a \$1 billion line of credit with a consortium of banks. SIPC also has the statutory authority to borrow up to \$1 billion from the U.S. Department of Treasury through the SEC.

Although not a government entity, five of SIPC's seven directors are appointed by the President of the United States. Three of the five are from the securities industry, and two are from the general public. The President designates the Chairman and Vice Chairman from the two public directors. Of the remaining two directors, one is appointed by the Secretary of the Treasury and one is appointed by the Board of Governors of the Federal Reserve System from their respective staffs. SIPC is subject to SEC oversight and it must file with the SEC proposed rule changes, which require SEC approval, and proposed by-law changes, which are effective thirty days after filing unless disapproved by the SEC. The SEC may require SIPC to adopt, amend or repeal any by-law or rule.

SIPC does not protect a customer against the risk that securities may decline in value.

The speakers will address the principal issues that would arise in structuring a comparable customer protection program in a developing securities market.

Speakers: Stephen P. Harbeck, General Counsel, Securities Investor Protection Corporation

Randall Roy, Special Counsel, SEC Division of Market Regulation

Readings: Stephen P. Harbeck, "Protecting Customers in the American Capital Markets: The Securities Investor Protection Corporation;" and "Customer Claims Under SIPA" (January 1995).

Stephen P. Harbeck, "Stockbroker Bankruptcy: The Role of the District Court and the Bankruptcy Court Under the Securities Investor Protection Act," 56 American Bankruptcy Law Journal (Summer 1982).

THURSDAY, APRIL 25, 2002, 9:00 am - 10:45 am

Overview of Enforcement Program

The SEC's enforcement program is designed to preserve the fairness and integrity of the U.S. securities markets, and thereby protect investors and foster their confidence in these markets. To meet these goals, the SEC maintains a strong enforcement presence in all areas within its jurisdiction, while focusing on particular problem areas.

SEC enforcement actions generally are preceded by an informal inquiry and, where necessary, a formal order of investigation designating SEC staff members authorized to compel testimony and production of documents. If the facts discovered during an investigation warrant further action, the SEC is authorized to file injunctive actions in federal court as well as to proceed administratively against registered and unregistered individuals and entities. Remedies that the SEC may seek include, among others, cease and desist orders, monetary penalties, disgorgement of ill-gotten gains, and suspension or revocation of the registration of market participants, such as broker-dealers, investment advisers and their associated persons. In addition, the SEC provides substantial assistance to the U.S. Department of Justice, which is responsible for criminal prosecution of securities law violations.

The internationalization of the world's securities markets and the increased frequency of cross-border trading activity has created a more challenging enforcement environment. Frequently, investigating and prosecuting securities law violations in one country requires gathering information located outside that country. Therefore, it is of critical importance for securities regulators around the world to cooperate in providing access to information necessary for the prevention, detection and prosecution of securities law violations.

U.S. and international enforcement efforts and techniques will be discussed.

Speakers: Paul R. Berger, Associate Director, SEC Division of Enforcement

Susan Yashar, Senior Counsel, SEC Office of International Affairs

Readings: "An Overview of Enforcement," SEC Division of Enforcement (March 2002).

"International Cooperation in Securities Law Enforcement," SEC Office of International Affairs (Spring 2002).

THURSDAY, APRIL 25, 2002, 11:00 am - 12:15 pm

Fraud on the Internet: Implications for Securities Regulators

The explosion of commercial on-line services and the rising popularity of the Internet have created new opportunities and new dangers for investors. The speaker will discuss the types of investment fraud and abuse used on-line and what the SEC is doing to prevent them.

Speakers: John Reed Stark, Chief, Office of Internet Enforcement, SEC Division of Enforcement

Irene Gutierrez, Staff Attorney, Office of Internet Enforcement, SEC Division of Enforcement

Readings: "SEC Charges 23 Companies and Individuals in Cases Involving Broad Spectrum of Internet Securities Fraud," SEC Press Release 2001-24 (March 1, 2001).

"SEC Charges Two Brothers and Four Others With Running Fraudulent Prime Bank Scheme," Litigation Release No. 17362 (February 14, 2002).

"Securities and Exchange Commission v. Invest Better 2001, Cole A. Bartiromo, and John and Jane Does 1 through 10, 01 Civ. 11427 (BSJ) (S.D.N.Y. Dec. 13, 2001)," Litigation Release No. 17296 (January 7, 2002).

"Securities and Exchange Commission v. New Energy Corp., TOR Ewald, Geneva Financial Ltd., Marcelino COLT aka Marcelino COLT Vasquez, Magnum Financial, LLC, Michael S. Manahan, BLD Trust, Barclay Davis, Loretta Davis, Burke T. Maxfield, York Chandler, and Hector Campa Acedo, Civil Action No. CV-02-989-MMM (CWx) (C.D. Cal.)," Litigation Release No. 17350 (February 4, 2002).

"SEC Obtains Temporary Restraining Order and Asset Freeze to Halt Pump-and-Dump Scheme Involving the Stock of Tel-One, Inc.," SEC Litigation Release No. 17337 (January 24, 2002).

Pump&Dump.com: Tips for Avoiding Stock Scams on the Internet, SEC Investor Education (September 28, 2000).

THURSDAY, APRIL 25, 2002, 1:15 pm – 2:45 pm

Investor Education

The Office of Investor Education and Assistance's staff of 25 analyzes and responds to over 50,000 complaints and inquiries annually from the public. Investor complaints alert the Commission to securities fraud and abuse and are often the first indicators of wrongdoing.

Since an educated investor provides the best defense against securities fraud and often the first warning of wrongdoing, the Office also educates investors on how to identify securities fraud and to report suspicious activity to the appropriate authorities.

Specifically, we do the following:

Review and analyze complaints for fraud and abuse;

Use a computerized database to track trends and identify problem firms and brokers;

Make sure firms treat an investor's complaint fairly and promptly;

Answer questions from investors about brokers, exchanges, mutual funds and securities;

Advocate use of "plain English" so that investors can understand disclosure documents and make informed investment decisions;

Educate investors on protecting their savings from fraud through investor town meetings, seminars, school programs, brochures, the Internet and joint projects with the securities industry; and

Involve investors in SEC rulemaking so that rules we adopt meet investor needs.

The speakers will discuss current investor education initiatives.

Chair: Susan Wyderko, Director, SEC Office of Investor Education and Assistance

Speaker: Lisa Donnini, Deputy Executive Director, Securities Industry Foundation for Economic Education

Readings: "How the SEC Handles Your Complaint or Inquiry," SEC Office of Investor Education and Assistance.

"Internet Fraud: How to Avoid Internet Investment Scams," SEC Office of Investor Education and Assistance.

"Ask Questions," SEC Office of Investor Education and Assistance.

“The Fleecing of Foreign Investors: Avoid Getting Burned by ‘Hot’ U.S. Stocks,” SEC Office of Investor Education and Assistance.

Robert D. Strahota and Lucee S. Kirka, “Warning of Ponzi and Pyramid Schemes.”

“Creating an Effective Investor Assistance Program,” prepared by the SEC.

Copies of The Stock Market Game brochure will be distributed prior to this session.

THURSDAY, APRIL 25, 2002, 3:00 pm - 5:30 pm

Enforcement Workshops

The delegates will be divided by country into three separate groups for purposes of the Enforcement workshops. Each workshop group will use the same materials and cover the same topics.

Overview of Workshops

Each Enforcement workshop will, through the use of hypotheticals, review the SEC's authority to conduct an investigation and will examine techniques used in initiating and developing an enforcement case. The workshops will cover a wide range of investigations, including investigations of insider trading, financial fraud, misconduct by regulated entities and market manipulation.

The country and room assignments for each group for purposes of the Enforcement Workshops, and the Corporation Finance/Accounting, Market Regulation, and Investment Management Workshops during Week II of the Institute, are as follows:

- | | |
|---------------------------|---|
| Group A, Room 1C30 | Albania, Brazil, Chile, Costa Rica, Bangladesh, Czech Republic, Egypt, El Salvador, Honduras, Indonesia, Jordan, Kenya, Latvia, Malawi, Mexico, Morocco, Nigeria, Pakistan, Russia, Philippines, Slovenia, Taiwan, Thailand, Turkey. |
| Group B, Room 6600 | Argentina, Belarus, Bulgaria, China, Cyprus, Hungary, Jamaica, Kazakhstan, Korea, Lithuania, Malaysia, Mongolia, Namibia, Oman, Peru, Poland, Saudi Arabia, Slovenia, South Africa, Trinidad & Tobago, Uganda, Ukraine, West Bank. |
| Group C, Room 5600 | Bahrain, Bosnia & Herzegovina, Cayman Islands, Colombia, Croatia, Eastern Caribbean, Ecuador, Estonia, Ghana, India, Kyrgyz Republic, Macedonia, Malta, Montenegro, Panama, Romania, Sri Lanka, Tanzania, Uzbekistan, Zambia. |

FRIDAY, APRIL 26, 2002, 8:45 am - 10:45 am

Accounting and Auditing Standards

The language of business is accounting. Without adequate accounting, auditing and financial reporting, it is not possible to determine the true position and profitability of enterprises. Investors can be misled and funds misappropriated. Without uniform reporting requirements and generally accepted principles and standards, it is not possible to value companies, make comparisons between companies and detect financial and operational problems early enough for corrective action.

The SEC looks to the Financial Accounting Standards Board as the preeminent private sector standard-setting body authorized to establish generally accepted accounting principles and standards. In overseeing the Board's activities the SEC staff meets regularly with and consults with Board members and staff on its agenda decisions, the status of major rulemaking proposals, and implementation issues.

Under the federal securities laws, issuers are required to include certain financial information in their registration statements, periodic reports and other documents filed with the Commission and made available to the public.

Securities law recognizes the importance of the concept of "independence" of public accountants who act as outside auditors for an issuer. An independent public accountant must act in an unbiased and objective manner and must be free of any financial interest which would create the perception that the accountant is not independent. By rendering an audit report on a company's financial statements, the independent accountant assumes a public responsibility transcending any employment relationship with the client.

This session provides an overview of financial reporting in the United States, the possible structure of a new private sector oversight body, and the role of audit committees in the financial reporting infrastructure.

Chair: John M. Morrissey, Deputy Chief Accountant, SEC Office of the Chief Accountant

Part I Accounting Standards

Speakers: Susan Koski-Grafer, Associate Chief Accountant, SEC Office of the Chief Accountant

John W. Albert, Associate Chief Accountant, SEC Office of the Chief Accountant

Part II ***Auditing Standards***

Speakers: **D.J. Gannon, Partner, Deloitte & Touche LLP**

Travis Gilmer, Professional Accounting Fellow, SEC Office of the Chief Accountant

John Olson, Senior Partner, Gibson, Dunn & Crutcher LLP

Readings: **“Accounting and Auditing Overview,” SEC Office of the Chief Accountant (May 2002).**

Harvey L. Pitt, Written Testimony Concerning Accounting and Investor Protection Issues Raised by Enron and Other Public Companies (March 21, 2002).

John F. Olson, “How to Really Make Audit Committees More Effective,” *The Business Lawyer* (May 1999).

John F. Olson, “Ten rules for effective audit committees,” *Audit Committees* (Fall 1999).

“After ENRON: Issues for Boards and Audit Committees to Consider,” Gibson, Dunn & Crutcher, LLP (2002).

Robert K. Herdman, “Critical Accounting and Critical Disclosures,” Speech before the Financial Executives International, San Diego Chapter (January 24, 2002).

Robert K. Herdman, “Making Audit Committees More Effective,” Speech before the Tulane Corporate Law Institute, New Orleans (March 7, 2002).

Securities Act Release Nos. 33-8040 (December 12, 2001) and 33-8056 (January 22, 2002).

FRIDAY, APRIL 26, 2002, 11:00 am - 12:30 pm

Compliance and Supervisory Standards for Securities Firms

Compliance in the U.S. securities industry begins at the individual firm level. Securities firms have strong business and legal incentives to supervise their employees and to encourage them to adhere to high standards of commercial honor and just and equitable principles of trade. Indeed, the failure to do so is grounds for disciplinary proceedings under the Rules of Practice of the National Association of Securities Dealers ("NASD") and the federal securities laws. These rules also require each member firm to establish and maintain a system to supervise the activities of each registered representative and associated person, which is reasonably designed to achieve compliance with applicable securities laws and regulations, and with the rules of the NASD. Under the Securities Exchange Act of 1934, the SEC may bring disciplinary proceedings against any broker or dealer or associated person who willfully aided, abetted, counseled, commanded, induced or procured the violation of the federal securities or commodities laws or the rules or regulations thereunder, or has failed reasonably to supervise another person subject to his supervision.

In light of the above provisions, U.S. securities firms have established compliance departments staffed with compliance officers. The speakers will address the role of the compliance officer in the firm, and will provide examples of compliance procedures often followed with respect to particular business areas, such as institutional and retail sales, and investment banking. Procedures designed to prevent misuse of inside information also will be discussed.

Chair: Harry Weiss, Partner, Wilmer, Cutler & Pickering

Speakers: David A. DeMuro, Managing Director, Global Compliance & Regulation, Lehman Brothers, Inc.

Michael B. Radest, Director of Compliance, Credit Suisse First Boston

Richard Wallace, Vice President and Chief Counsel, Market Regulation, National Association for Securities Dealers

Readings: Harry J. Weiss, Yoon-Young Lee, and John Valentine, "Broker-Dealer Supervisory Liability" (April 26, 2002).

FRIDAY, APRIL 26, 2002, 1:45 pm - 5:00 pm

Country Presentations

During these sessions, the delegates will be divided by country into seven groups. Each country has been asked to prepare a background paper describing its markets and regulatory infrastructure. One spokesperson to be designated by each country will be asked to make a presentation of no more than 12 minutes, which summarizes the delegation's paper. These papers and presentations will provide an opportunity for delegates to highlight the major developmental and regulatory challenges their countries face in the shaping and operation of their securities markets, to share their own experiences and to discuss areas of special interest with other delegates.

Moderators:

**Z. Scott Birdwell, Attorney-Advisor, and Malika Williams, Program Analyst,
SEC Office of International Affairs**

**Gloria Dalton, Senior Counsel, and Sean Watterson, Attorney-Advisor,
SEC Office of International Affairs**

**Bridget Neill, International Policy Analyst, and Stephanie Kim, Attorney-
Advisor, SEC Office of International Affairs**

**Marianne Olson, Senior Counsel, and Stan Macel IV, Attorney-Advisor,
SEC Office of International Affairs**

**Robert Peterson and Shauna Steele, Attorney-Advisors, SEC Office
of International Affairs**

**Ester Saverson, Jr., Assistant Director, and Clivette Jones, Paralegal
Specialist, SEC Office of International Affairs**

Robert D. Strahota, Assistant Director, SEC Office of International Affairs.

Reading: Hard copies of country presentations from each group will be distributed to the group. Copies of all country presentation will be distributed on a CD-ROM.

COUNTRY GROUPS

The seven country groups, their moderators and room assignments are as follows:

Group 1

Room 6600

Bahrain, Bulgaria, Egypt, Mongolia, Morocco, Oman, Saudi Arabia, Ukraine, Uzbekistan, West Bank.

Moderators: Z. Scott Birdwell, Attorney-Advisor, and Malika Williams, Program Analyst, SEC Office of International Affairs.

Group 2

Room 11312

Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Peru.

Moderators: Gloria Dalton, Senior Counsel, and Sean Watterson, Attorney-Advisor, SEC Office of International Affairs.

Group 3

Room 1C50

Cayman Islands, Cyprus, Eastern Caribbean, Jamaica, Korea, Malta, Panama, South Africa, Trinidad and Tobago.

Moderators: Bridget Neill, International Policy Analyst, and Stephanie Kim, Attorney-Advisor, SEC Office of International

Affairs.

Group 4

Room 10001

Albania, Bangladesh, Bosnia and Herzegovina, China, Indonesia, Macedonia, Malaysia, Philippines, Thailand.

Moderators: Marianne Olson, Senior Counsel, and Stan Macel IV, Attorney-Advisor, SEC Office of International Affairs.

Group 5

Room 11602

Belarus, Estonia, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Pakistan, Sri Lanka, Taiwan, Turkey.

Moderators: Robert Peterson and Shauna Steele, Attorney-Advisors, SEC Office of International Affairs.

Group 6

Room 5600

Ghana, India, Jordan, Kenya, Malawi, Namibia, Nigeria, Tanzania, Uganda, Zambia.

Moderators: Ester Saverson, Jr., Assistant Director, and Clivette Jones, Paralegal Specialist, SEC Office of International Affairs.

Group 7

Room 1C30

Croatia, Czech Republic, Hungary, Montenegro, Poland, Slovenia, Slovakia, Romania, Russia, Ukraine.

Moderator: Robert D. Strahota, Assistant Director, SEC Office of International Affairs.

MONDAY, APRIL 29, 2002, 9:00 am - 10:30 am

Derivatives: Their Use and Regulation

Derivatives can be used both for hedging risk and for speculative purposes. They include options, futures, forwards and swaps. In the past decade, the use of derivatives has grown exponentially. Today, banks, insurers, pension funds, investment companies and other financial institutions and commercial and industrial businesses use a variety of derivatives to manage their investment portfolios and to manage asset and liability risk. Recently, there have been a number of market studies and regulatory initiatives addressing the proliferation of derivatives, the potential risks involved in their use and the adequacy of the current regulatory framework. The speakers will discuss how derivatives are used in today's marketplace and the unique regulatory challenges presented by such instruments.

Chair: Elizabeth King, Associate Director, SEC Division of Market Regulation

Speakers: Paul Architzel, Chief Counsel, Division of Economic Analysis, Commodity Futures Trading Commission

Tully R. Davia, Vice President and head of Institutional, International & Technology Business Development, Chicago Board Options Exchange

Robert N. Gordon, President, Twenty-First Securities Corporation

Readings: "Effects of Option Listings On The Underlying Stocks," Twenty-First Securities Corporation.

William F. Sharpe , "Perfecting Markets," Institutional Investor.

Glossary of Derivatives Terms, Working Paper 7A, "OTC Derivative Markets and Their Regulation," CFTC Report (October 1993).

The Index Workbench and the Options Toolbox on CD will be distributed prior to this session

MONDAY, APRIL 29, 2002, 10:45 am - 12:15 pm

Securities Underwriting

Underwriting involves the public distribution of securities through an intermediary, usually an investment banking firm. Underwriting may involve a primary distribution of new securities purchased from an issuer, a secondary distribution of already issued and outstanding securities, or a combination of both. The investment banker brings together investors with issuers who need to raise capital and acts as an intermediary upon whom both the buyer and seller rely. The participation of an investment banker can also provide an experienced and well-capitalized market professional whose function is to maintain an orderly market while at the same time distributing large quantities of securities into that market. Finally, underwriters can provide issuers with a degree of credibility by association, and give investors comfort that an independent professional has evaluated the issuer and has participated in the pricing of the securities. Both the investment banking firm's reputation and the federal securities laws, which place significant liabilities on the underwriter, the issuer and others involved in the distribution of securities, tend to assure the integrity of the underwriting process.

Underwriting may be done on a "firm commitment" basis where the underwriter agrees to purchase the securities for its own account and bears the risk of redistribution, or on an agency basis where the underwriter merely agrees to use its "best efforts" to sell the securities without assuming any resale risk. The principal investment banker responsible for the offering of securities is usually designated as the managing underwriter. In firm commitment underwritings, the managing underwriter often forms a syndicate of other firms for purposes of the distribution. The syndication process reduces risk by permitting individual firms to take smaller allocations, and by enhancing distribution capability. As a result, the offering is often marketed quickly, improving turnover of the underwriters' capital.

The speakers on this panel will outline the key steps in the underwriting process that are essential to its success with particular emphasis on U.S. underwritten offerings of foreign private issuers securities.

Chair: Linda Quinn, Partner, Shearman & Sterling

Speakers: Barbara Alexander, Executive Director, Morgan Stanley

Wayne Carnall, Partner, PriceWaterhouseCoopers LLP

**Christine Walsh, First Vice President, Merrill Lynch,
Pierce, Fenner & Smith, Inc.**

Readings: Materials will be distributed prior to this session.

MONDAY, APRIL 29, 2002, 1:30 pm - 4:00 pm
TUESDAY, APRIL 30, 2002, 3:00 pm - 5:30 pm
WEDNESDAY, MAY 1, 2002, 3:00 pm - 5:30 pm

WORKSHOPS

Delegates will be assigned by country to one of three groups and will attend each of the three workshops offered during these three days, according to the following schedule:

Monday, April 29

Group A Corporation Finance/Accounting Workshop - Room 1C30
Group B Market Regulation Workshop – Room 6600
Group C Investment Management Workshop – Room 5600

Tuesday, April 30

Group A Market Regulation Workshop - Room 1C30
Group B Investment Management Workshop - Room 1C50
Group C Corporation Finance/Accounting Workshop - Room 5600

Wednesday, May 1

Group A Investment Management Workshop - Room 6600
Group B Corporation Finance/Accounting Workshop - Room 1C30
Group C Market Regulation Workshop - Room 5600

The country assignments for each group are as follows:

Group A Albania, Argentina, Bahrain, Bangladesh, Belarus, Bosnia and Herzegovina, Bulgaria, Cayman Islands, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Ecuador, Egypt, El Salvador, Estonia, Ghana, Honduras, Hungary.

Group B India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Korea, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Malawi, Malaysia, Malta, Mexico, Mongolia, Montenegro, Morocco, Namibia, Nigeria, Oman, Panama.

Group C Eastern Caribbean, Pakistan, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Slovakia, Slovenia, South Africa, Sri Lanka, Taiwan, Tanzania, Thailand, Trinidad & Tobago, Turkey, Uganda, Ukraine, Uzbekistan, West Bank, Zambia.

Corporation Finance/Accounting Workshop

This workshop will discuss how the SEC's Division of Corporation Finance administers the full disclosure provisions of the Securities Act of 1933 and Securities Exchange Act of 1934 in connection with the processing of registration statements for public offerings of securities, and annual and other periodic reports filed by publicly-owned companies. The primary focus will be on the public offering process. Exemptions from registration and the effect of the SEC's proxy regulations on corporate governance also will be discussed. Representatives from the accounting staff of the Division of Corporation Finance and The Office of the Chief Accountant will discuss audit and financial reporting requirements for prospectuses and periodic reports, and procedures followed by the staff in reviewing these documents and resolving disagreements regarding financial statement presentation.

The Office of Chief Accountant also will discuss their role in the auditing and accounting standards setting process, auditor independence issues and peer review procedures for independent auditors that practice before the SEC.

Market Regulation Workshop

This presentation will be divided into the following discrete segments:

1. Market Structure and Operations

This segment includes discussions of auction and dealer markets, regulation of the municipal securities market, automation in general, off-change trading, listing standards and information collection and dissemination mechanisms. Market surveillance procedures and systems also will be discussed.

2. SRO Regulation

This segment focuses on the process by which the SEC reviews the rules of SROs, such as the stock exchanges and the NASD. Workshop leaders will provide historical perspective with regard to the concepts underlying the review process and will discuss relevant steps in the process.

3. Regulation of Financial Intermediaries

This segment covers areas relevant to the regulation of financial intermediaries, including the licensing and competency requirements of intermediaries. Topics covered will include the financial integrity requirements for intermediaries, including net capital requirements, requirements for the protection of customer funds and securities, and intermediary reporting requirements. Cross-border regulation issues also will be discussed.

Investment Management Workshop

This presentation will be divided into the following discrete segments:

1. Starting an Investment Company

This segment covers the organization of an investment company and SEC registration requirements.

2. Investment Company Disclosure

This segment focuses on the goals of investment company disclosure and how the SEC staff administers the investment company disclosure program.

3. Administering Investment Company Law

This segment covers rulemaking, exemptive orders and interpretive and no-action letters and the roles they play in the investment company regulatory process.

*** * * * ***

**PLEASE SAVE THIS SCHEDULE AND REFER TO IT FOR YOUR
WORKSHOP ASSIGNMENTS ON MONDAY, APRIL 29, TUESDAY, APRIL
30 AND WEDNESDAY, MAY 1**

TUESDAY, APRIL 30, 2002, 9:00 am - 10:30 am

Accessing U.S. Markets/Depository Receipt Facilities

An American Depositary Receipt ("ADR") is a security in the form of a receipt issued by a U.S. depository institution that represents an interest in securities of a non-U.S. company that are held overseas. Once an ADR program is established, the ADRs trade freely in the U.S. like other U.S. securities. ADR programs often can be attractive to foreign issuers as a way of entering the U.S. market, to develop investor interest in their securities, and possibly, to raise capital and obtain a better valuation for the securities. From the perspective of investors, there are convenience, cost and liquidity factors which can make ADRs attractive in comparison to investing in overseas markets. The number of ADR programs has increased substantially during the past decade. Moreover, the concept is not limited to the U.S. The number of global depository receipt programs and facilities using the currencies of other developed countries also has increased significantly.

The speakers will describe the mechanics of establishing ADR facilities, including the three different levels of sponsored facilities, and the types of securities transactions that can be accommodated through use of depository receipts.

Chair: Felicia Kung, Senior International Counsel, Office of International Corporate Finance, SEC Division of Corporation Finance

Speakers: Michael Finck, Managing Director, Bank of New York

Sandra Kinsey, Partner, Hogan & Hartson

Readings: "American Depositary Receipts," Office of International Corporate Finance, SEC Division of Corporation Finance.

Sandra Folsom Kinsey, U.S. Regulation of American Depositary Receipts (April 30, 2002).

"Depository Receipts (ADRs and GDRs) 2001 Year-End Market Review," The Bank of New York.

TUESDAY, APRIL 30, 2002, 10:45 am - 12:15 pm

Market Technology

Securities markets are at their core, mechanisms for bringing together buyers and sellers of securities. Technological trends over the past two decades have contributed greatly to the growth of securities markets. Technology has provided a vastly greater number of investment and execution choices, increased market efficiency and reduced trading costs. However, the explosive growth of alternative trading systems over the past several years has significant implications for public secondary market regulation. The panelists will explore the advantages and disadvantages of automated trading systems for developing securities markets, including the challenges these systems present for securities regulators.

Chair: John Polise, Senior Special Counsel, SEC Division of Market Regulation

Speakers: Janet Angstadt, Chief Regulatory Counsel, Archipelago

Onnig Dombalagian, Attorney-Fellow, SEC Division of Market Regulation

Richard Strasser, Senior Vice President, The Nasdaq Stock Market

Readings: See Securities Exchange Act Release No. 34-40760 (December 8, 1998), Regulation of Exchanges and Alternative Trading Systems, Final Rule, located in the Market Regulation materials in Workshop CR-ROM.

Securities Exchange Act Release No. 34-43863 (January 19, 2001), Order approving proposed rule changes by the National Association of Securities Dealers, Inc. and Amendment Nos. 1, 2, 3, 4, 5, 6, 7 and 8 thereto and notice of filing and Order granting accelerated approval of amendment No. 9 relating to the establishment of the Nasdaq Order display facility and Order collector facility and modifications of the Nasdaq trading platform.

Securities Exchange Act Release No. 34-44983 (October 25, 2001), Order approving proposed rule change by the Pacific Exchange, Inc., as amended, and Notice of filing and order granting accelerated approval to amendment Nos. 4 and 5 concerning the establishment of the Archipelago Exchange as the equities trading facility of PCX Equities, Inc.

Securities Exchange Act Release No. 34-45156 (December 14, 2001), Notice of filing of proposed rule change by the National Association of Securities Dealers, Inc. relating to Nasdaq's Proposed separation from the NASD and the establishment of the NASD alternative display facility.

TUESDAY, APRIL 30, 2002, 1:30 pm - 2:45 pm

Developing Bond Markets

In commenting on lessons from the East Asian and other recent financial crises, US Federal Reserve Chairman Alan Greenspan observed: "The annals of the United States and others over the past several decades tell us that alternatives within an economy for the process of financial intermediation can protect that economy when one of those financial sectors experiences a shock." Chairman Greenspan also points out that "[d]iverse capital markets, aside from acting as a backup to the credit process in times of stress, compete with a banking system to lower financing costs for all borrowers ---" and "promote new instruments that improved the efficiency of capital creation and risk bearing within our economies." Traded debt instruments offer banks and other institutional lenders new options for hedging their risks and shifting their business from holding to originating loans. This panel will discuss the infrastructure and other issues that are encountered in attempting to develop robust debt markets in emerging economies.

Chair: Alison Harwood, Principal Securities Market Specialist, Global Financial Markets Group, International Finance Corporation

Speakers: Frank Dubas, Partner, Deloitte & Touche LLP
Paul Saltzman, General Counsel, Bond Market Association

Readings: Materials will be distributed prior to this session.

WEDNESDAY, MAY 1, 2002, 9:00 am - 10:30 am

Issues Affecting Institutional Investment in Developing Economies

The rapid integration of the world's financial markets presents both benefits and problems for developing economies. The speakers on this panel will consider the market infrastructure problems that impede institutional investment and capital market development in developing economies and steps that may be taken to alleviate these problems. Emphasis also will be placed on early warning signals of infrastructure problems and the role of government in managing these problems.

Chair: Reena Aggarwal, Professor, Georgetown University School of Business Administration

Speakers: Christine Carsman, Director of Enterprise Risk Management and Compliance, Wellington Management Company LLP

Kenroy A. Dowers, Financial Specialist, Infrastructure and Financial Division, Inter-American Development Bank

Reading: Materials will be distributed prior to this session

WEDNESDAY, MAY 1, 2002, WORKSHOP 1, 10:45 am-12:15 pm - ROOM 5600

Securities Rating Agencies

Ratings are valuable tools for investors and underwriters of debt securities. Rating agencies evaluate the ability of issuers of debt securities to satisfy contracted debt service on such obligations. Ratings are used in the U.S. with respect to a variety of debt securities, including municipal and corporate bonds, collateralized mortgage obligations, other securitized instruments and commercial paper. From the investor's point of view, a rating is an indicator of the added return (or "risk premium") that should be demanded when purchasing a given security to compensate for the higher probability that it will not perform as promised. From a policy point of view, rating agencies promote efficiency in the capital markets by communicating to all investors an objective view of the creditworthiness of an issuer, thereby improving the allocation of capital. The speakers will address how rating agencies may fulfill a similar role with respect to debt securities in developing countries.

**Speakers: Rita Bolger, Managing Director of Global Regulatory Affairs,
Associate General Counsel, Standard & Poor's**

**Charles D. Brown, Managing Director and General Counsel, Fitch
IBCA, Inc.**

**Farisa Zarin, Vice President, Credit Policy Group, Moody's Investors
Service**

**Readings: "Standard & Poor's Response to the Basel Capital Accord," Standard
& Poor's Bank Ratings Service (May 2001).**

**"Rating Methodology: The Evolving Meaning of Moody's Bond Ratings,"
Moody's Investors Service (August 1999).**

**Neil D. Baron and Leah W. Murch, "Statutory and Regulatory Uses of
Ratings in the United States and Other Jurisdictions," Fitch Investors
Service, Inc. (January 14, 1993).**

WEDNESDAY, MAY 1, 2002, WORKSHOP 2, 10:45 am - 12:15 pm - ROOM 1C30

Securities Industry Dispute Resolution

Arbitration and mediation are non-judicial methods of resolving disputes. Arbitration is used extensively in the U.S. securities industry by self-regulatory organizations ("SROs"), such as the National Association of Securities Dealers ("NASD") and the stock exchanges, as a mechanism to resolve disputes (i) between brokerage firms and their customers, (ii) between firms, including disputes with nonmembers of the SRO, and (iii) between firms and their employees. SRO arbitration programs are subject to SEC oversight. Mediation is a voluntary and confidential alternative dispute resolution mechanism that provides the parties to a dispute and their counsel with greater authority to set the ground rules for resolution of disputes. The speakers at this workshop will discuss the key elements of arbitration and mediation proceedings and their significance as dispute resolution mechanisms for emerging markets.

Chair: Robert A. Love, Special Counsel, SEC Division of Market Regulation

Speakers: Ken Andrichik, Associate Vice President and Director of Neutral Development and Strategic Planning, Office of Dispute Resolution, NASD Regulation, Inc.

Brian Smiley, Partner, Page Guard Smiley & Bishop LLP

Readings: W. Reece Bader, "The Regulatory Framework of Securities Arbitration," in Securities Arbitration: Practice and Forms, (A. Djinis & J. Post eds.), Matthew Bender & Co., Inc. (1999).

Roger M. Deitz, "An Introduction to Mediation" (2001).

NASD Notice to Members 99-96, "Employment Arbitration Rules" (December 1999).

NASD Regulation, Inc., "Dispute Resolution Statistics," "Arbitration Procedures," "Code of Arbitration Procedure," and "Mediation: An alternate Path."

The United States Arbitration Act (chapters 1 & 2).

WEDNESDAY, MAY 1, 2002, 1:15 pm - 2:45 pm

Establishing Corporate Governance in Emerging Markets

"Corporate governance" refers to the system of accountability and responsibility among shareholders, the board of directors and the management of the corporate entity. It encompasses both the decision-making process and the accountability structure for achieving corporate objectives. In a market economy, such as the U.S., the overall objective of the corporation and the corporate governance system is to enhance shareholder value. It is also recognized to varying degrees in different corporate domiciles that, to achieve this corporate objective, the directors and management of the corporation should take into account the interests of other constituencies, such as employees, customers, suppliers and communities.

Worldwide, there is a growing recognition that good corporate governance is a foundation of not only good corporate performance, but of access to capital markets as well. Good corporate governance means accountability to the capital providers – the shareholders -- by boards of directors in selecting, monitoring, compensating and, when necessary, replacing, the managers who direct corporate operations on a daily basis. Good corporate governance also means timely transparency and certainty, in a system of corporate accountability and responsibility, on which access to capital markets depends. It also requires reasonable regulation and standards of conduct for issuers, the market and market professionals, accountants and lawyers, enforced by regulatory (or self regulatory) agencies, and the courts, in which investors can repose trust and confidence that decisions are impartially and fairly made and the interests of investors are protected.

In developing markets, there are a number of constraints that often impede the development of a sound corporate governance system. These include: management control and domination of the corporation and its board of directors; inability of shareholders to access corporate information; corporate statutes that are both inadequate and unenforceable due to undeveloped legal infrastructure; and the general absence of corporate gatekeepers, such as principal shareholders, outside directors and independent auditors.

The speakers on this panel have experience in assisting developing countries in establishing corporate laws. They will offer their suggestions, many of which are based upon a self-enforcing model of corporate governance.

Establishing Corporate Governance in Emerging Markets

Chair: Meyer Eisenberg, Deputy General Counsel, SEC Office of General Counsel

Speakers: Charles M. Elson, Woolard Professor of Corporate Governance and Director, The Center for Corporate Governance, University of Delaware

Paul Gonson, Of Counsel, Kirkpatrick & Lockhart LLP

Peter C. Clapman, Senior Vice President and Chief Counsel, Corporate Governance, TIAA-CREF

Peter Wallison, Resident Fellow, American Enterprise Institute

Readings: Meyer Eisenberg, "Establishing Corporate Governance in Emerging Markets: The Role of Corporate Governance in the Development of Capital Markets" (May 2002).

Corporate Governance Workshops, Robert D. Strahota and Dr. Nancy Wilgenbusch, Presentation at FSVC (May 2001), adapted from a presentation by Paul Gonson.

"Principles for Corporate Governance," OECD (1999).

THURSDAY, MAY 2, 2002, 9:00 am - 12:00 Noon

Office of Inspections and Examinations, Conducting an Examination of an Investment Company and Adviser

This panel will discuss topics relating to Collective Investment Schemes (CIS) such as: what constitutes a CIS and the formation thereof; specific functional operational activities of a CIS and the related entities that assist in these operations, including who and how these functions are performed; and how an inspection of a CIS is conducted, detailing the procedures, techniques and documents used in the office and in the field. Practical situations will also be discussed throughout the presentation.

**Speakers: Gene A. Gohlke, Associate Director, Office of Investment Company/
Investment Adviser Examinations and Oversight, SEC Office of
Compliance Inspections and Examinations**

**Lou Becka, Assistant Director, Office of Investment Company/
Investment Adviser Examinations, SEC Office of Compliance Inspections
and Examinations**

**Jackie Sturgill, Branch Chief, Office of Investment Company/
Investment Adviser Examinations, SEC Office of Compliance Inspections
and Examinations**

**Marita Bartolini, Branch Chief, Office of Investment Company/
Investment Adviser Examinations, SEC Office of Compliance Inspections
and Examinations**

**Reading: “Inspections of Collective Investment Schemes,” prepared by the
SEC
Office of Compliance Inspections and Examinations (May 2, 2002).**

THURSDAY, MAY 2, 2002, 1:15 – 2:45 p.m.

Technical Assistance Programs for Emerging Markets

There are many U.S. government, multilateral and private sector organizations that offer technical assistance programs with the common goal of furthering market economies in developing countries. The focus of these programs and their accessibility varies substantially. The speakers on this panel represent three organizations providing technical assistance in areas which are closely related to the development of sound securities markets. Each panelist will briefly describe his or her organization's program, identify some of the process issues in obtaining and delivering effective technical assistance, and offer suggestions as to how these issues may be resolved.

Chair: Robert D. Strahota, Assistant Director, SEC Office of International Affairs

Speakers: John Crihfield, Private Enterprise Officer, Bureau of Economic Growth, Agriculture, and Trade (EGAT), Office of Emerging Markets (EM), US Agency for International Development

Salvatore Pappalardo, Managing Director, Financial Services Volunteer Corps

Georgia Sambunaris, Financial Sector Specialist, Office of Market Transition, US Agency for International Development

Readings: Robert D. Strahota, "The SEC's Technical Assistance Program for Emerging Securities Markets" (March 2002).

Georgia Sambunaris, "USAID/Alliance for Financial Stability", Strategic Matrix for Financial Sector Support, and Financial Sector Support Targets.