

A PROCEEDINGS BOOK FROM

# Securities Regulation in the Global Internet Economy

A Major Issues Conference  
presented by the  
Securities and Exchange Commission Historical Society  
in cooperation with the  
United States Securities and Exchange Commission  
with the support of  
Northwestern University School of Law

November 14–15, 2001  
Washington, D.C.

**TRUSTEES**

Kenneth J. Bialkin  
James H. Cheek III  
James R. Doty  
Daniel L. Goelzer  
Edward F. Greene  
Paul Gonson, President  
Dixie L. Johnson  
Stanley Keller  
Richard G. Ketchum  
Robert J. Kueppers, Secretary,  
Treasurer  
Edward A. Kwalwasser  
Alan B. Levenson  
Theodore A. Levine  
Arthur Levitt  
Gary G. Lynch  
Kathryn B. McGrath  
William R. McLucas  
Robert H. Mundheim  
Richard M. Phillips  
Linda C. Quinn  
David S. Ruder, Chairman  
Thomas A. Russo  
Mary L. Schapiro  
Joel Seligman  
Stanley Sporkin

**EXECUTIVE DIRECTOR**

Carla L. Rosati, CFRE

1001 Pennsylvania Avenue NW  
Suite 810 South  
Washington, D.C. 20004-2505  
202-585-6405  
202-585-6404 (fax)  
[www.sechistorical.org](http://www.sechistorical.org)

**DESIGN AND PUBLICATION**

Five on Your Eye Design

**PHOTOGRAPHY**

Scavone Photography

**A Proceedings Book from “Securities Regulation in the Global Internet Economy”**

This proceedings book is a summary of the presentations, with quotes and photographs, from “Securities Regulation in the Global Internet Economy,” the major issues conference presented by the Securities and Exchange Commission Historical Society in cooperation with the United States Securities and Exchange Commission, with the support of Northwestern University School of Law, on November 14-15, 2001 in Washington, D.C.

This summary was prepared by Edward F. Greene of Cleary, Gottlieb, Steen & Hamilton, London, a trustee of the Securities and Exchange Commission Historical Society and a presenter at the conference, with the assistance of Tanya Epstein of Cleary, Gottlieb, Steen & Hamilton, London.

To review the complete transcript of the conference, as well as some of the papers prepared for the conference, please visit the Society’s Web site at [www.sechistorical.org](http://www.sechistorical.org).

**Securities and Exchange Commission Historical Society**

The Securities and Exchange Commission Historical Society, founded as a 501(c)(3) organization in 1999, seeks to make broadly available an objective understanding of the distinctive role and contribution that the U.S. Securities and Exchange Commission has made to the evolution of American financial markets.

Therefore, the Society:

- preserves historical records, especially outside of the official Commission files, of the SEC;
- encourages scholarship to improve understanding of the SEC’s role; and
- provides access to information and interpretations of the SEC’s role, through its Web site, publications and programs.

The Society believes that the entire financial community, including the securities industry, lawyers, accountants, financial professionals and business organizations; persons studying business and financial history, and the public at large will benefit from these resources and services. Ultimately, the Society’s purpose is to contribute to the understanding of how the SEC shapes vibrant and reliable U.S. and international capital markets.

**Richard M. Phillips**  
Kirkpatrick & Lockhart  
Conference Chairman

The Securities and Exchange Commission Historical Society is pleased to present the Proceedings Book from its first Major Issues Conference on “Securities Regulation in the Global Internet Economy.” The conference was held on November 14-15, 2001 in Washington, D.C. in conjunction with the U.S. Securities and Exchange Commission. Significantly, it was planned and the themes were selected long before the tragedy of September 11, and it took place before the Enron collapse became the pervasive focus of all discussions of the securities regulatory agendas.

Placing the contemporary topics of the day in perspective is the true value of history. The lessons of Enron will occupy an important place in any agenda for securities regulatory reform, but as time moves on, those lessons will become integrated into the major underlying themes that guide the adaptation of national securities regulation to cope with the issues posed by the global Internet economy. These themes will loom large on the agendas of securities regulators worldwide for decades to come, and the exploration of these themes by the distinguished members of the conference panels will make an important contribution to the resolution of the issues raised by the globalization of the securities markets.

The five major panels of the conference were regulation of the securities market, disclosure and accounting regulation in the global market, regulation of the investment management industry, and the problems of cross-border enforcement of securities regulation. Each of these panels provided important new insights into the issues posed by the operation of the securities markets in the global Internet world.



The Society owes a huge debt of gratitude to SEC Chairman Harvey Pitt, whose steadfast support allowed the Society to overcome the threats posed by the September 11 tragedy to the timely convening of the conference. It also is indebted to each of the panelists, some of whom traveled across the seas, for their important contribution to the conference, and particularly to David Becker, Edward F. Greene, Annette Nazareth, Linda C. Quinn, David Ruder, David Silver and Lynn Turner, who each led and prepared very thoughtful papers for the panel discussions.

No words of acknowledgement would be complete without a thank you to David Ruder, chairman of the Society, and Carla Rosati, executive director, for their invaluable assistance to the planning and operation of the conference. Finally, the conference owes much thanks to Edward F. Greene and Tanya Epstein of Cleary, Gottlieb, Steen & Hamilton, London, for their yeomen's work in preparing this summary of the conference proceedings.