

AGENDA

Monday, 20 October 2008

8:00

Registration

9:00

Welcoming Remarks

**Speakers: Dr. Turan Erol
Chairman
Capital Markets Board of Turkey**

**Mr.Huseyin Erkan
Chairman and CEO, Istanbul Stock Exchange**

**Dr. Robert M. Fisher
Assistant Director
Office of International Affairs
US Securities and Exchange Commission**

9:15

Challenges of Securities Regulation in Emerging Markets

Introductory discussion of why we should regulate securities markets, what conduct should be regulated and how much we should regulate. While the optimal answers to these questions are (and should be) different for different jurisdictions, the challenges that securities regulators confront are largely the same throughout the world. At the same time, there are a defined set of tools, with varying policy trade-offs among them, with which to address these challenges. The common challenges and possible regulatory responses are reviewed by way of introduction to the program.

Speaker: Dr. Robert M. Fisher

10:30

Break

10:45

US SEC Enforcement Overview

This session will provide an overview of the SEC's enforcement program, its investigations and enforcement actions and will provide a foundation and framework for ensuing substantive enforcement presentations. This session will cover the SEC enforcement process from the inception of an investigation through the filing of an enforcement action and will discuss important enforcements concepts, principles and strategies.

**Speaker: Mr. Timothy L. Warren
Associate Regional Director (Enforcement)
Chicago Regional Office
US Securities and Exchange Commission**

12:00

CMB of Turkey Enforcement Overview

In this session, enforcement actions, challenges and achievements will be introduced in the Turkish context and related statistics will be revealed by the head of the division.

**Speaker: Mr. Bulent Gokrem
Director
Enforcement Division
Capital Markets Board of Turkey**

12:30

Lunch

1:30

Financial Reporting Fraud

This session will cover the concepts of fraudulent representations or omissions in the financial reports of publicly-traded issuers. It will explain the basic legal requirements governing financial reporting, the sources from which these investigations arise, the kinds of activities that might facilitate or constitute financial fraud, and the role of the company's auditors as "gate-keepers, and the remedies available against the perpetrators of the fraud, among other things. These concepts will be illustrated through a case study of the SEC's Enron investigation.

Speaker: Mr. Kurt Gresenz
Branch Chief
Office of International Affairs
US Securities and Exchange Commission

2:45

Break

3:00

Financial Reporting Fraud

This session will summarize the common fraudulent representations in the financial reports of the Turkish publicly-traded issuers and the main motives behind the fraud. It will explain some fraudulent accounting entries, the sources from which the investigations arise, the investigation process followed to detect the fraud, and the importance of employees' cooperation with the investigators. These concepts will be illustrated through a case study.

Speaker: Ms. Tuba Ertugay Yıldız
Senior Investigator
Enforcement Division
Capital Markets Board of Turkey

3:45

Break

4:00

Presentation on Most Significant Challenges Facing Market Development in the Region- Recent Financial Issues- Is the current financial crisis a threat or an opportunity for emerging and/or regional markets?

This session is for representatives of the regional market authorities to describe the most significant developments and challenges facing the regional markets. **PARTICIPATION BY AUDIENCE AND ALL SPEAKERS WILL BE ENCOURAGED.**

Speakers: Panel of Regional Staff/Officials

Moderator: Dr.Gunsel Topbaş, Director, Securities Country Manager, Turkey, Citi(r) Markets and Banking, Global Transaction Services, Citibank A.S.

Panelists:

Mr.Omer Faruk Baykal, Chief Economist and Deputy Director, ECO Trade and Development Bank

Mr.Ivo Stankov, Chief Expert, Market Surveillance Department, Bulgarian Stock Exchange- Sofia

Mr. Borut Strazisar, Assistant Director, Securities Market Agency, Ljubljana

5:30

End of the Day's Proceedings

7:15 Welcoming Reception

Tuesday, 21 October 2008

- 9:00** **Fraud on the Internet**
This session will cover the three principal categories of securities fraud on the internet: "off market" schemes, "on market" schemes, and account intrusion schemes. It will discuss how the worldwide web is used as an interactive-mechanism for defrauding innocent investors, and profile actual examples (such as "phishing," spam emails, and pirated web sites). It will illustrate many of these concepts through a case study of a recent SEC investigation.
Speaker: Mr. Kurt Gresenz
- 10:15** **Break**
- 10:30** **Market Microstructure I – Participants**
The internal structure of a secondary market plays a critical role in determining the efficiency and transparency of trading. This session will cover the functions and regulation of various types of participants in a secondary market. These include investors, active traders, brokers, dealers, exchanges, and a variety of alternative trading systems, such as electronic communication networks, block crossing networks, and dark pools. The speaker will discuss how the growth of electronic trading has transformed securities market microstructure in recent years.
Speaker: Mr. Daniel M. Gray
Senior Special Counsel for Market Structure
Division of Trading and Markets
US Securities and Exchange Commission
- 11:30** **The Supervisory Process for Broker/Dealers**
This session will discuss the foundational elements for a supervisory system for registered persons and entities, including registration requirements, disclosure, complaints, recordkeeping, ethics, risk-based examinations, and enforcement issues.
Speaker: Ms. Rina R. Hussain
Branch Chief
Office of Compliance, Inspections and Examinations
US Securities and Exchange Commission
- 12:30** **Lunch**
- 1:30** **Investigating and Prosecuting Market Manipulation**
The speaker will discuss tools for investigating and prosecuting market manipulation cases, including fraudulent "pump and dump" schemes. Questions addressed include: What is market manipulation? Why is it bad for the market? How do you do it? And how do you investigate it? Two case studies will be presented as well as a variety of manipulative techniques.
Speaker: Dr. Robert M. Fisher
- 2:30** **Investigating and Prosecuting Market Manipulation**
A real case from Turkish capital markets (CBS Case) will be presented by the speakers in turn and general features of regulations on market manipulations as well as differences from European and American ones will be touched on by Mr.Nahit Akarkarasu.
Speakers:
Mr. Nuri Aydin, Chief Inspector, Istanbul Stock Exchange
Mr. Nahit Akarkarasu, Assistant Director of Enforcement
Division, CMB of Turkey.

3:30 **Break**

3:45 **Investigation of an Offering Fraud (The Rob Fisher Company)**

This session will discuss “off exchange” frauds in the offer and sale of securities. Billions of dollars of investor funds are lost to these types of schemes world wide every year. The session will cover a step by step process of how to investigate these fraudulent schemes using a typical case example.

Speaker: Mr. Timothy L. Warren

4:15 **Regulation of Investment Advisers and Collective Investment Schemes/Investment Companies**

This session will focus on the US SEC’s regulation of Investment Advisers and Investment Companies through its rule-making initiatives and its inspection program. We will touch upon the differences between the regulatory structure in the US and abroad.

Speaker: Mr. James Reese
Senior Staff Accountant
Surveillance and Reporting Group
Office of Compliance, Inspections and Examinations
US Securities and Exchange Commission

5:30 **End of the Day’s Proceedings**

Wednesday, 22 October 2008

- 9:00** **Detecting, Investigating and Prosecuting Insider Trading**
This session will focus on the definition of illegal insider trading, the different legal theories used to prosecute insider trading, the liability of both “tippers” and “tippees,” defenses commonly raised by suspected inside traders, investigatory techniques that can be used to prove that insider trading has occurred and available civil and criminal sanctions. The session will conclude with a discussion of the steps taken in an actual insider trading investigation.
Speaker: Mr. Timothy L. Warren
- 10:15** **Break**
- 10:30** **Detecting, Investigating and Prosecuting Insider Trading**
A real case from Turkish capital markets will be presented by the speaker and general features of regulations on insider trading as well as differences from European and American ones will be touched on. The case will be a picture of general insider trading investigations in the Turkish context.
Speaker: Mr.Hasan Seyman, Investigator, CMB of Turkey
- 11:30** **International Enforcement Cooperation**
The internationalization of the world's securities markets and the increased frequency of cross-border trading activity have 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, as well as the IOSCO Multilateral Memorandum of Understanding.
Speaker: Mr. Kurt Gresenz
- 12:30** **Lunch**
- 1:30** **Investigatory Techniques**
This session will cover the mechanics of organizing an inquiry into alleged securities law violations, including the development of a formal plan of investigation and a discussion of the key components of such a plan. This session also will cover the important decisions that should be made prior to testimony or interviews being conducted; the critical steps to take in preparing for testimony; and finally, specific techniques that should be used in the actual questioning of witnesses.
Speaker: Mr. Kurt Gresenz
- 2:45** **Break**
- 3:00** **Self-Regulatory Organization and Broker-Dealer Examinations**
This session will discuss routine, cause and oversight examinations by both Securities Authorities and Self Regulatory Organizations. Topics will include pre-examination preparation, interacting with the registrant, and use of deficiency letters, preparation of examination reports and workpapers, and referrals to enforcement. Typical violations encountered in these exams will be mentioned.
Speaker: Ms. Rina R. Hussain
- 4:15** **Broker-Dealer Enforcement**
This session will focus on the types of cases brought against broker-dealers and their associated persons (boiler rooms, fraudulent statements, unauthorized transactions, churning, excessive mark-ups and failure to

October 17, 2008

supervise). The session will cover specific investigative steps and conclude with a case study.

Speaker: Mr. Timothy L. Warren

5:30

End of Day's Proceeding

Thursday, 23 October 2008

- 9:00** **Market Microstructure II – Linkages**
This session will cover the types of systems and rules that link individual participants together into a unified market. Topics will include the problem of market fragmentation, which can impair efficiency and price discovery, and the different tools that can minimize fragmentation, such as price transparency, smart order routing technologies, the duty of best execution, and trade-through restrictions.
Speaker: Mr. Daniel M. Gray
- 10:15** **Break**
- 10:30** **Broker-Dealer – Trading Examinations**
This session will cover some specific rules of conduct relating to the supervision of trading activity. Topics will include relevant rules that guide the trading landscape (best execution, front-running, order handling rules, etc.), broker-dealer compliance procedures, surveillance tools and typical trading violations observed. We will walk through how we generally conduct analysis on trading data and some of the difficulties we face relating to obtaining the books & records and managing the volume of data.
Speaker: Ms. Rina R. Hussain
- 11:45** **Broker-Dealer – Trading Examinations**
Speaker: Ms. Muge Tasci, Senior Expert, Division of Intermediary Institutions, CMB of Turkey
- 12:30** **Lunch**
- 1:30** **Current Issues in Trading and Markets**
Secondary markets have evolved rapidly in recent years in response to technology advances and the growth of electronic trading. This session will cover some of the pressing issues raised by an evolving market structure, including direct market access, dark pools and gray pools, and market data products and fees.
Speaker: Mr. Daniel M. Gray
- 2:45** **Break**
- 3:00** **Investment Adviser and Investment Company Examinations**
This session will highlight the inspection process that the US SEC's Office of Compliance Inspections and Examinations performs for Investment Advisers and Investment Companies. We will detail our planning processes, fieldwork analysis and issue resolution. We will review, among other things, recordkeeping requirements and forensic testing of transactions.
Speaker: Mr. James Reese
- 4:00** **Mutual Fund Regulation and Enforcement**
This session will discuss key investor protection concepts in the regulation of the mutual fund industry and will illustrate the types of violations that may be encountered through a discussion of cases studies. The case studies will address enforcement actions against portfolio managers and other investment advisory personnel.
Speaker: Mr. Timothy L. Warren
- 4:30** **Risk Assessment in the Inspection Program**
This session will focus on the risk assessment performed by examination staff in their selection of Registrants and Themed or Sweep reviews. We will also

October 17, 2008

describe an examination team's risk assessment processes during an inspection and how it impacts the scope of the exam work

**Speakers: Mr. James Reese
Ms. Rina R. Hussain**

5:30

End of Day's Proceedings

Friday, October 24, 2008

9:00

Remedies and Settlement Strategies

This session will outline the range of civil and administrative sanctions and remedies available to the SEC to combat securities law violations. The session will include a discussion of, among other remedies, disgorgement, civil penalties, and industry bars. The session will also examine various concepts and strategies in settling enforcement cases, credit for cooperation and managing enforcement resources.

Speaker: Mr. Timothy L. Warren

10:15

Break

10:30

Hedge Funds

This session will share the experience of the US SEC in the regulation of hedge funds, (to the extent that it does so.) It will also provide background into the structure and types of hedge funds, the size of the industry, the challenges faced by the US SEC in regulating hedge funds and some of the unique issues/challenges faces in our enforcement and inspection work.

Speaker: Mr. James Reese

11:30

Current Issues: A Moderated Discussion

This session will provide an opportunity for the program participants to discuss current issues, such as the market turmoil associated with sub-prime mortgages in the US, credit rating agencies, unified versus specialized regulation of the financial sector, the pressures of globalization on securities markets and exchanges, including the topics of both "jurisdictional competition" and jurisdictional cooperation, the US Sarbanes-Oxley Act, and alternative strategies for dealing with cross-border services as well as any other issues the participants might like to address.

Moderator: Dr. Robert M. Fisher

Contributors:

Mr.Ibrahim Kurban, Vice Chairman, Istanbul Stock Exchange,

Mr.Abdullah Yavas, Chief Investigator, Ex-Director of Enforcement Division.

Mr.Omer Faruk Baykal, Chief Economist and Deputy Director, ECO Trade and Development Bank

Mr. Daniel M. Gray

12:30

Question and Answer

1:00

Closing Remarks

Mr.Huseyin Erkan

Chairman and CEO, Istanbul Stock Exchange