

Check against delivery!

Opening speech

by Dr. Hannelore Lausch

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At the closing event of the Twinning Project

**“Assisting the Capital Markets Board of Turkey to comply fully with
European Union capital markets standards”**

11 December 2007, Ankara

Honourable Minister

Honourable Ambassadors

Honourable Chairman

Ladies and Gentlemen

It is a great honour for me
to be invited to this closing event,
which marks the official end of our joint twinning
project

“Assisting the Capital Markets Board of Turkey to
comply fully with European Union capital markets
standards”.

Dear Chairman,

dear colleagues from the CMB,

dear Mr. Venzlaff,

my hearty felicitations on the successful conclusion
of this project.

And on this occasion

I also bring the warmest congratulations of our President, Jochen Sanio, who is very sorry that he cannot be here with us today to celebrate this event.

“Time brings all things to pass”, said Aeschylus, and so *too* our joint project has now come to an end.

But the good thing *is* that the results will live on. We can say with great pride today that our joint project has been a success – a *great* success, even.

Drafts for transposing 30 EU directives and regulations into Turkish law have been prepared.

Let me only mention the most important ones:

MAD, Take Over, Prospectuses, Transparency, UCITS and MiFID.

When I look at what has been achieved in the way of legislative proposals and communiqués, I am full of admiration.

The staff of the CMB have performed a truly Herculean task – together with their German colleagues, the overwhelming majority of whom were from BaFin, the Federal Financial Supervisory Authority of Germany.

What the CMB and BaFin have achieved over the last two years was twinning at its best.

As you may know, the concept of twinning is based on cooperation,

and from the very beginning of our joint project the cooperation between our Turkish colleagues and ourselves has worked very well.

I think there are a number of reasons for that.

One is that we were not strangers.

Relations between BaFin and the CMB had already been very friendly before. For example, even before the twinning project CMB members visited BaFin.

And we also knew each other already from IOSCO, the International Organization of Securities Commissions.

What may also have played a significant role – and casting aside all modesty here – is the fact that the German project team is fully au fait with the latest developments and has **extensive** practical experience of international and European developments in matters relating to capital markets.

Moreover, BaFin had already gained relevant and **extensive** experience in other twinning projects.

A number of similar banking and insurance supervision projects had already been implemented successfully. We had therefore already built up a certain amount of experience in the twinning field.

That also prevented us from acting the big “I am” and trying to impose any particular model; instead, we have assisted the CMB in creating a “tailor-made” model, in other words an appropriate regulatory framework for capital market supervision in Turkey.

It was just as well that we adopted this *diffident* approach, for our Turkish colleagues did not need to be led by the hand.

It was not us, who played the lead role, but our friends from the CMB. And we met as *equals*.

I am also speaking for Mr. Sanio, our president, when I say, that I have nothing but the greatest respect for the CMB team.

The determination of Professor Erol and his team to bring Turkish capital markets law up to European standards, has been and still *is* great.

And *so* is their knowledge. What our friends from the CMB have contributed in the way of technical expertise

is world-wide state of the art.

Which is not surprising;

after all, the CMB has been appearing on the international regulatory authority stage for quite some time now.

The CMB is an old hand in international standard-setting and cooperation. As you will be aware, the CMB is an extremely active member of IOSCO –

especially in
IOSCO's Emerging Markets Committee,
a very large committee representing the jurisdictions
of more than forty emerging markets,
which is of paramount importance, when it comes to
the implementation of IOSCO standards
and crucial for the success of regulatory
developments initiated by the Technical Committee.

Anyone working in IOSCO knows all about what's
happening on the international regulatory stage.
The best possible background, therefore, for writing
a joint success story like ours.

Dear Chairman, from our talks with our Turkish
colleagues, I think we've heard enough to believe
that we have *earned* the trust that Turkey and the
CMB placed in Germany and BaFin.

That naturally makes us all feel very proud.

After all, on the German side BaFin provided the lion's share of the input to the twinning project.

Over the course of the last 24 months, 62 German experts have contributed to the project, of which 48 have been from BaFin.

I can assure you that they all found the cooperation with their Turkish colleagues a very pleasant experience and very challenging and extremely stimulating. Thank you and your staff very much indeed.

Our work together on the twinning project has had another very positive effect:

a very close and intimate relationship has developed between the CMB and BaFin. We are *extremely* pleased about that, for we are *sure* that even *now* that our joint twinning project has ended

we shall ***continue*** to enjoy good cooperation. In times of increasing globalisation it is more important than ever for the supervisors of different countries to cooperate closely. Supervision today stands or falls by cross-border cooperation.

Dear Chairman,

BaFin won't let the end of the twinning project be the end of the fruitful cooperation between our authorities.

Quite the contrary in fact: we have a very great interest in deepening our relationship with the CMB even further. As Mr. Sanio said at the inauguration of our twinning project:

Birlikten kuvvet doğar – Together we're strong.

It would also be an honour for us to support the CMB further in sampling the delights of the EU FSAP, the "Financial Services Action Plan", in *all* its subtleties.

We at BaFin are great fans of the *European single market in financial services*

and we are therefore strongly in favour of common European – and *even* internationally recognised – regulatory standards.

Regulators can no longer achieve very much by playing a lone hand nationally.

These days national borders don't mean much for risk any longer. Our major players are active across the whole of Europe – and the rest of the world.

National financial crises could rapidly grow into *international* financial crises – as we have come to know only *too* well.

We therefore need common European and internationally recognised standards.

And if we look closely, the advantages of European financial market regulation become apparent.

If we look at the FSAP, which the EU is trying to implement in order to further expand the European *level playing-field*, then we can see

that this picture, taken as a whole, **does** have a meaning. If we **ignore** one part of this great whole, Ladies and Gentlemen, then it will no longer function.

This is something the players on the Turkish capital market should keep in mind.

I am **sure** that the Turkish financial industry will benefit from legal and institutional alignment with the EU acquis.

As a fast-growing financial market, Turkey is attractive for **both** domestic **and** foreign investors. And **especially** if it is part of a great level playing-field, for then it will be much easier for providers of financial services from other states to set up shop here.

I am **sure** that it will eventually become clear to all those involved, that our twinning project was well worth **the time and the hard work**.

Dear Chairman, I am speaking for Mr. Sanio when I say that we would be highly delighted, if we were to continue to cooperate so successfully in future.

Thank you very much for your kind attention,
Ladies and Gentlemen.