

Stymiest addresses investor education symposium

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By [James Langton](#)

Group, says that the foundations for securities regulation and corporate governance have been shaken after a couple of scandal-filled years.

Stymiest made the comment in a speech to the Canadian Foundation for Investor Education Symposium in Toronto on Monday.

"I do not think it is yet realized just how the corporate scandals in America, and the subsequent responses to them has destroyed the consensus for the framework of ideas on which our approaches had long been based," she said. And, she noted, once that consensus -- namely the U.S. model -- has been lost, it's hard to find a new consensus.

"But the corporate scandals and the extra-territoriality of Sarbanes-Oxley didn't just let the cat out of the bag in terms of the weaknesses of the U.S. approach to governance, regulation and accounting. They let a whole herd of cats out of the bag in the form of new ideas -- and old ideas that now appeared in a much more favourable light," she said.

In her speech, Stymiest continued to talk up the idea of mutual recognition linkages between stock exchanges in North American and Europe. "Official Washington has been relatively negative on the idea," she concedes, "But they might see it differently if a working model was there to show the advantages for investors on both sides of the Atlantic. Certainly, Australia is attuned to this approach with its trans-border links to Singapore and its initiatives involving Hong Kong and Tokyo."

She suggested that mutual recognition involving securities may show up in the trade and investment enhancement agreement that Canadian and European negotiators hope to conclude before a trade summit in Ottawa in December.

TSX Group will co-host a meeting of the Canada-Europe Round Table on November 21 during which Canadian and European chief executives will thrash out these issues in advance of the Ottawa summit, she announced. "We'd like the eventual agreement to adopt the principle of mutual recognition as a basis for increased securities trading between Canada and Europe."

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