



**For Immediate Release**

**For the Securities Industry Association**

Travis Larson (202) 216-2057 [tlarson@sia.com](mailto:tlarson@sia.com)

**For the Investment Dealers Association of Canada**

Ian Russell (416) 865-3036 [irussell@ida.ca](mailto:irussell@ida.ca)

**For the International Capital Market Association**

Cliff Dammers +44 20 7538 5656 [Cliff.Dammers@icma-group.co.uk](mailto:Cliff.Dammers@icma-group.co.uk)

**For the International Banks and Securities Association of Australia**

Duncan Fairweather +612 9221 9144 [duncan.fairweather@ibsa.asn.au](mailto:duncan.fairweather@ibsa.asn.au)

**FINANCIAL INDUSTRY ASSOCIATIONS ENCOURAGE CAPITAL MARKET  
LIBERALIZATION AS PART OF WTO'S DOHA ROUND**

**WASHINGTON, D.C., OCTOBER 13, 2005** – Four industry associations -- the Securities Industry Association (SIA), the Investment Dealers Association of Canada (IDA), the International Capital Market Association (ICMA) and the International Banks and Securities Association of Australia (IBSA) -- today released three papers calling for the liberalization of trade in financial services and providing a roadmap to achieve that goal. These documents are being circulated as member countries of the World Trade Organization make final preparations for the Hong Kong Ministerial Conference in December, where they hope to agree on a negotiating framework for a new WTO agreement.

"Development and expansion of the financial sector can serve as both the wind in the sails of a nation's economic growth and provide the even keel of greater financial stability," said Marc Lackritz, President of SIA. "Countries that have embraced capital market liberalization grow faster, diversify risk better, improve capital allocation and reduce exposure to foreign currency-denominated debt. That makes financial services reform a win-win for both the nations that undertake it and for international trade."

"Removing the barriers to global trade in financial services benefits national economies, capital markets, and individual investors by promoting capital formation and offering better portfolio returns and diversification" says Joe Oliver, President and CEO of the Investment Dealers Association of Canada.

"ICMA's members in over 40 countries around the world have had direct experience of the benefits international access to financial services bring to national financial markets and economies," said Cliff Dammers, Head of Regulatory Policy at ICMA. "Lower cost of capital, more efficient delivery of financial services and the resultant better allocations of capital lead directly to economic growth and wealth creation."

"Since Australia's banking and financial markets were opened to foreign competition in the 1980s, the finance sector has performed strongly, underpinning healthy growth in the national economy," according to Duncan Fairweather, Executive Director of IBSA. "Our experience is that

liberalization of financial services trade enhances the capability of the market to deliver superior solutions to customers and allows home-based corporations to access financial services on the same basis as their global competitors – an important benefit for mid-sized and developing economies.”

The first paper “Recommendations For Liberalization of Trade In Capital Markets-Related Services” describes the contribution that a robust capital market can make to a country’s economic development and financial stability. It also emphasizes that sound and transparent regulation, which instills confidence in suppliers and consumers, is vital to a well-functioning market.

The paper calls for the free movement across borders for both consumers and suppliers of capital markets-related services. It argues that financial services, as well as the companies that provide such services, should also be free to cross borders. When they do, those companies and their services should receive the same legal treatment as their domestic counterparts, says the paper. In order to achieve these and other goals, the paper calls on developed nations to provide technical assistance to other countries on both a bilateral and multilateral basis.

The second paper, “Capital Markets Liberalization: A Powerful Catalyst for Growth of Developing Economies” documents why the liberalization of trade in financial services – and in capital markets-related services in particular – is central to advancing the goals of the Development Round. It examines both empirical research, which demonstrates that liberalizing trade in financial services can promote balanced economic growth, and financial system stability.

The third paper is a “Model Schedule” of WTO commitments for capital markets-related services. The Model Schedule is the industry’s view as to how the market opening principles contained in the Recommendations paper should be translated into WTO commitments. It is designed to be used by WTO member countries as they develop their own market opening offers, evaluate the market opening offers made by other members or undertake domestic liberalization measures outside the WTO context.

The reports can be found at [www.sia.com](http://www.sia.com)

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The Securities Industry Association brings together the shared interests of approximately 600 securities firms to accomplish common goals. SIA’s primary mission is to build and maintain public trust and confidence in the securities markets. SIA members (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs nearly 800,000 individuals, and its personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2004, the industry generated \$236.7 billion in domestic revenue and an estimated \$340 billion in global revenues. (More information about SIA is available at: [www.sia.com](http://www.sia.com).)

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association’s mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets.

ICMA is the self-regulatory organisation and trade association representing the investment banks and securities firms issuing and trading in the international capital market worldwide. ICMA’s members are located in 48 countries across the globe, including all the world’s main financial centres, and currently number some 430 firms in total. ICMA was created in July 2005 by the merger of the International Securities Market Association (ISMA) and the International Primary Market Association (IPMA). The Association is based in Switzerland, with a wholly owned subsidiary – ICMA Ltd - in London. For more information see: [www.icma-group.org](http://www.icma-group.org)

The International Banks and Securities Association of Australia (IBSA) represents investment banks engaged in wholesale banking, securities trading and financial markets business in Australia. As the representative advocate of international and investment banks in Australia, IBSA combines the resources of its members to promote Government policies and business conditions that support a strong financial sector - maximising opportunities for its members to develop their business and contribute to the economic well-being of Australia.