alternative trading platforms. I have some sympathy with those who say that these labels are activities like hedging and so called client facilitation. These claims are now viewed understandably   with a lot of skepticism.]

And perhaps the most significant difference of all is that Asian taxpayers were not called on to bail out any financial system, unlike those in the US and EU.

Against this background it is perfectly legitimate to ask why a comparatively healthy Asia should take medicine which has been prescribed for a very sick patient languishing in intensive care. The worry would be that this could cause a nasty adverse reaction in the healthy patient. As you will have already guessed, it is my view that this conclusion would be dead wrong.

The answer to those who think that Asia can ignore or water down the global reform agenda lies in the aspiration in Asia for continued growth, to mobilize savings properly and the need for greater financial sophistication to fuel these objectives.

In this context it is interesting to see that a fundamental debate now taking place in the West is in many ways the reverse of that in Asia. Especially in the EU there is a perception that financial sector development has outstripped that actually needed for healthy growth, and to cut down what has been called socially useless financial intermediation is a big driver for reform. There is also a running argument about austerity and regulation snuffing out the ability to compete.

The situation in many emerging economies is the opposite; many have got nowhere close to the level of financial sector maturity achieved in the West but growth prospects remain high. Their concern is to broaden and deepen their financial systems to sustain continued progress towards greater prosperity. Althouy5r fa taitt0.nd,J(u)-Acallretsain as r

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from those firms who want to escape the straightjacket of Dodd Frank and similar rules. They worry that this would hurt domestic financial interests and make the whole system riskier because many of these firms are global players. I should be clear at this point that because much Asian financial activity is dominated by firms headquartered in the EU and the US, there is no doubt that their regulators have an ability to export their own rules to Asia. The threat is that if we or Asian firms don't play ball international firms would find it difficult to operate here and could withdraw from some activities, seriously harming liquidity in our selling of products to retail customers to see what I mean. We therefore have every start using this as a platform to properly express Asian views to global regulators. A very good example of what can be achieved was a letter sent at the end of August to the US Commodity Futures Trading Commission (CFTC) signed by regulators in HK, Australia and Singapore. This was about proposed CFTC extraterritorial rules for OTC derivatives. We basically said that more attention needed to be paid to international standard setters and that a proposal to force OTC derivatives to trade on exchanges would not work in Asia because there was no real liquidity to support reliable pricing. The fact that this letter came from multiple regulators had a real impact and it undoubtedly changed the debate. It was also crucial that we made clear that none of us were intent on joining a race to the bottom. This is only one example, but I think demonstrates what can be done for Asia if we have the will to coordinate on important issues.

I will stop here, and I hope that you all have an enjoyable and useful conference.