



INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS



HARVARD LAW SCHOOL

PROGRAM ON INTERNATIONAL FINANCIAL SYSTEMS

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## IOSCO/PIFS-Harvard Law School

### Global Certificate Program for Regulators of Securities Markets

*December 4-8, 2017, Cambridge, MA, United States*

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## Phase II - Curriculum (as of 11/15/17)

### Location:

Harvard Law School Campus- Wasserstein Hall  
1585 Massachusetts Ave., Cambridge, MA 02138

### Sunday December 3

5:00 – 7:00      Welcome Cocktail Reception

*The Reading Room, The Harvard Faculty Club, 20 Quincy Street, Cambridge, MA 02138*

### Monday December 4 – Wasserstein Hall Room 1015

9:00 – 09:15      **Welcome and Overview of Curriculum**

*Hal S. Scott, Nomura Professor of International Financial Systems, Harvard Law School*

*Paul P. Andrews, Secretary General, IOSCO*

*James Shipton, Executive Director, PIFS, Harvard Law School*

9:15 – 10:45      **Session 1: Regulatory Strategy: Design Dilemmas in Regulatory Practice A**

Session objectives: to assess: (i) The relationship between compliance and risk-management. Legal model of regulation v. Expert model; (ii) Striking the balance between promotion of best practices, and focusing on concentrations of risk or patterns of non-compliance; & the notion of Regulatory Craftsmanship, and its effect as an antidote to the "Swinging of the Regulatory Pendulum" and to the persistence of ideological preferences based on specific regulatory tools.

*Malcolm Sparrow, Professor of the Practice of Public Management, Harvard's Kennedy School of Government*

10:45 – 11:00

Break

11:00 – 12:20

**Session 2: Regulatory Strategy: Design Dilemmas in Regulatory Practice (B)**

Session objectives: Understand: (i) the four different types of work in which regulators engage: functional, work, process-based work, problem-centric (or "risk-based") work, & crisis response; (ii) the challenge of managing and institutionalizing risk-based work; (iii) the challenges of integrating, within one agency, different types of work. Understanding interaction effects between them; and (iv) classes of risk that prove the need for developing an effective problem-centric capability.

*Malcolm Sparrow, Professor of the Practice of Public Management, Harvard's Kennedy School of Government*

12:30 – 1:40

Lunch – Milstein East A

1:45 – 3:15

**Session 3: Regulatory Strategy: Case Study Exercise – *Fashioning the Relationship between Regulators and Regulated: Lessons from Civil Aviation Safety***

Session objectives: Explore: (i) alternate regulatory *structures*, and how they differ in terms of delegation (to industry) of various aspects of the risk-management task; (ii) strengths and weaknesses of specific regulatory models, such as prescriptive regulation, performance-based regulation, self-regulation, co-regulation, responsive regulation, etc; and (iii) adopting a discriminating approach to fitting different regulatory structures to different classes of risk.

*Malcolm Sparrow, Professor of the Practice of Public Management, Harvard's Kennedy School of Government*

3:15 – 3:30

Break

3:30 – 5:00

**Session 4: Ethical Business Regulation**

Session objectives: Introduce a new concept of an ideal regulatory relationship between authorities and businesses: *Ethical Business Regulation* (EBR). Propose the application of EBR

to the *regulatory relationship* between public authorities and businesses that includes adoption of behavioural economic concepts.

*Christopher Hodges, Professor of Justice Systems, University of Oxford*

## Tuesday December 5 - Wasserstein Hall Room 1015

8:45 – 10:15

### **Session 5: Madoff Case Study Part II<sup>1</sup>**

Session objectives: Review the strategic and operational lessons to be learned from the SEC's (failed) supervisory actions in the Madoff case.

*James Shipton, Executive Director, PIFS, Harvard Law School*

*Gary Tidwell, IOSCO*

10:15 – 10:30

Break

10:30 – 11:30

### **Session 6: Digital Finances' Evolution & Development**

Session objectives: (i) Review the historical context of the utilization of technology in finance; (ii) Assess where FinTech is currently having a significant impact (especially in developing markets); (iii) Discuss the likely evolution of digital finance; & (iv) Identify and assess the risks of digital finance.

*Douglas Arner, Kerry Holdings Professor in Law, University of Hong Kong*

11:30 – 1:00

### **Session 7: Seminar on FinTech's Financial Stability & Consumer/ Investor Protection Risks**

*Douglas Arner, Kerry Holdings Professor in Law, University of Hong Kong (moderator)*

*Paul Redman, Chief Economist & Head of Research, Ontario Securities Commission*

*Jodi Scrofani, Head of Security Assurance - Americas, Amazon Web Services*

*Andres Wolberg-Stok, Global Head of Policy, Citi FinTech*

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<sup>1</sup> Part I of this case study will be conducted during Phase I in Madrid.

*Kathleen Hamm, Global Leader of Securities and Fintech Services and Senior Strategic Adviser to the CEO on Cyber Solutions, Promontory*

1:00 – 2:15

**Lunch – Milstein East A**

2:15 – 3:15

**Session 8: Lecture: Evolution & Developments in RegTech**

Session objectives: (i) Assess the types of regulatory responses that technology can assist with; (ii) Classify RegTech responses by regulators v. financial services firms; (iii) Review the digital and analytical tools being developed for regulators; & (iv) Review & assess the adoption of digital regulatory tools and the adoption of RegTech to meet the FinTech challenges.

*Douglas Arner, Kerry Holdings Professor in Law, University of Hong Kong*

3:15 – 3:30

**Break**

3:30 – 5:00

**Session 9: Seminar on Utilizing RegTech for Regulation, Supervision & Enforcement**

*Douglas Arner, Kerry Holdings Professor in Law, University of Hong Kong (moderator)*

*Paul Redman, Chief Economist & Head of Research, Ontario Securities Commission*

*Stephen Scott, CEO, Starling Trust*

*Andres Wolberg-Stok, Global Head of Policy, Citi FinTech*

*Kathleen Hamm, Global Leader of Securities and Fintech Services and Senior Strategic Adviser to the CEO on Cyber Solutions, Promontory*

*Sean McHugh, Managing Director & Head of APAC Compliance, Goldman Sachs*

**Wednesday December 6 - Wasserstein Hall Room 1015**

9:00 – 10:30

**Session 10: Lecture: Corporate Governance: Introduction & Overview**

*John Coates, Professor of Law and Economics at Harvard Law School*

Session objectives: from the perspective of securities regulators: (i) examine the new corporate structure of firms after the rise of institutional investors; (ii) type of institutional investors; (iii) assess the implications of the new corporate ownership structure for

corporate and securities regulators; (iv) assess the implications and interaction between activist investors, passive investors, and “reticent” investors; (v) agency problems between corporations and institutional investors, and agency problems between institutional investors and ultimate beneficiaries; (iv) regulation of institutional investors; (vii) rise, regulation and implications of proxy advisors for securities regulators.

10:30 – 10:45

Break

10:45 – 12:15

**Session 11: Seminar: The Role of Activist Shareholders, Institutional Advisors & Short Terminism in Corporate Governance**

*John Coates, Professor of Law and Economics at Harvard Law School (moderator)*

*Jim Rossman, Managing Director, Head of Corporate Preparedness, Lazard*

*Adam Emmerich, Partner, Wachtell Lipton*

*Leonardo P. Gomes Pereira, Senior Fellow, Program on International Financial Systems, Harvard Law School (former Executive Chairman Brazilian CVM)*

*Rob Taylor, Head of Investment Management, Supervision, FCA*

*Aurelio Gurrea-Martínez, Fellow, Program on International Financial Systems (PIFS), Harvard Law School*

12:20 – 1:40

**Bag Lunch in the Classroom and then Guided Harvard Tour**

1:45 – 3:15

**Session 12: Market Structure**

*James Angel, Associate Professor, Georgetown University*

Session Objectives: Outline the current status and nature of equity trading in the United States and Europe; review the impact of electronic trading; outline the measures of market quality (including trade transaction costs, market depth, intraday volatility & execution speeds); review and assess these measurements in an US and European context; review the applicability of these measurements to emerging, less liquid and retail oriented markets; review current concerns in the US and Europe about maker/taker pricing, dark pools, high frequency trading, tick sizes, designated dealers, transaction taxes, IPOs, and market stability.

3:15 – 3:30

Break

3:30 – 5:00

**Session 13: Seminar on Regulating & Supervising Modern Markets***James Angel, Associate Professor, Georgetown University (moderator)**Jeff Harris, Director of DERA and Chief Economist, SEC**Stephen Luparello, General Counsel, Citadel**Carsten Ostermann, Team Leader, Secondary Markets, European Securities and Markets Authority (ESMA)*

Thursday December 7 - Wasserstein Hall Room 1015

9:00 – 10:30

**Session 14: Corporate Governance Case Study***Aurelio Gurrea-Martínez, Fellow, PIFS, Harvard Law School**James Shipton, Executive Director, PIFS, Harvard Law School**Amarjeet Singh, Executive Director (Market Regulation & Supervision & Economic & Policy) SEBI & Chairman IOSCO Assessment Committee*

Session objectives: (i) assess the implications of corporate ownership structures in the imposition of good corporate governance practices to listed companies; (ii) regulatory responses to balance investor protection, regulatory competition and capital market development; (iii) law on the books, law in action, and the role of securities regulators in the enforcement and effectiveness of corporate and securities laws.

10:30 – 10:45

Break

10:45 – 12:30

**Session 15: Lecture on Supervision & Enforcement Structures***Howell Jackson, James S. Reid, Jr. Professor of Law, Harvard Law School*

Session objectives: Review the basic building blocks of supervision and enforcement; compare supervisory approaches of banking supervisors versus securities regulators; explore enforcement policy and trends; compare enforcement approaches of banking supervisors versus securities regulators; contrast international enforcement approaches; explore recurring issues in enforcement policies; compare private versus public enforcement

approaches; and discuss corporate versus individual sanctions; explore recurring issues in enforcement policies; compare private versus public enforcement approaches; and discuss corporate versus individual sanctions.

12:30 – 1:40

**Lunch- Milstein East A**

1:45 – 3:15

**Session 16: Seminar on Current Issues in Civil & Criminal Enforcement**

*Howell Jackson, James S. Reid, Jr. Professor of Law, Harvard Law School (moderator)*

*Linda Chatman Thomsen, Partner, Davis Polk & Wardwell*

*Carlos Costa-Rodrigues, Office of International Affairs, SEC*

*Josh Naftalis, Assistant U.S. Attorney, U.S. Attorney's Office, Southern District of New York*

3:15 – 3:30

**Break**

3:30 – 5:00

**Session 17: Seminar on Comparative Approaches of Central Banks & Securities Regulators**

*Paul P. Andrews, Secretary General, IOSCO*

*Sarah Dahlgren, Partner, McKinsey & former Executive Vice President & Head of Financial Institution Supervision, NYFRB*

*Mike Silva, Chair, Financial Services Regulatory Practice DLA Piper, Former Senior Supervisory Officer, Federal Reserve Bank of New York*

*Kurt Gresenz, Senior Assistant Director, Office of International Affairs, SEC*

*James Shipton, Executive Director, PIFS, Harvard Law School (moderator)*

5:30- 8:00

Informal Social Gathering at John Harvard's Brewery- 33 Dunster Street, Cambridge, MA

Friday December 8 - Pound 100

9:00 – 10:30

**Session 18: Lecture: Contagion**

*Hal S. Scott, Nomura Professor and Director, PIFS, Harvard Law School*

Session Objectives: Review the regulatory oversight of systemic risk; differentiate *connectedness* and *contagion* & review the role of *connectedness* v. *contagion* as elements of

systemic risk facing the financial system; using efforts by US agencies (Federal Reserve, the FDIC, and the Treasury) to stop the contagion following the collapse of Lehman Brothers as a case study review the effectiveness of these responses; analyze the unintended political consequences of these responses (including limitations on the Fed's powers as a lender of last resort); and suggest the best way to deal with contagion in the U.S. and other jurisdictions.

10:30 – 10:45

Break

10:45 – 12:15

**Session 19: Seminar on Regulatory & Supervisory Approaches to Systemic Risk***Martin Moloney, Head of Markets Policy Division, Central Bank of Ireland**Greg Baer, President, The Clearing House**Ron Cathcart, Managing Director, Promontory Financial Group**Stefan Gavell, Executive Vice President and Global Head of Regulatory, Industry, and Government Affairs, State Street**Hal S. Scott, Nomura Professor of International Finance Systems, Harvard Law School*  
(Moderator)

12:20 – 1:45

**Closing Ceremony Luncheon – Milstein East B**

1:45 – 2:45

**Session 20: Lecture: Cross-Border Regulatory, Supervisory & Enforcement Issues***Eric Pan, Director, Office of International Affairs, U.S. Commodity Futures Trading Commission (CFTC)*

Lecture objectives: (i) outline the structure and constituent institutions of the international financial regulatory (and economic) architecture (distinguishing between international *agenda setters & standard setters*); (ii) examine the non-treaty ('soft law') foundations of this architecture & contrast with treaty-based ('hard law') international regulatory arrangements in other sectors (eg International Civil Aviation Organization); (iii) examine the *regulatory coordination v. regulatory standard* roles of constituent international bodies; (iv) examine the drivers of international regulatory coordination for securities regulation – enforcement, supervision, resolution, financial stability &/or (minimum) standard setting/ consistency; consequently (to iv) examine: (a) IOSCO's the cross border enforcement regime (MMOU) and its evolution (the enhance MMOU); (b) examine the current state of cross border supervisory



cooperation (and information sharing mechanisms) between securities regulators (examine supervisory colleges, consider the EU's Single Supervisory Mechanism as an example), especially the 'home/ host' supervisory dilemma; & (c) examine the role of securities regulators in cross border resolution planning (and execution); & (v) outline residual caps in cross border regulatory coordination & cooperation between securities regulators.

2:45 – 4:30

**Session 21: Seminar: Importance & Challenges of International Organizations, including IOSCO, FSB and BIS**

*Paul P. Andrews, Secretary General, IOSCO*

*Amarjeet Singh, Executive Director, SEBI & Chairman IOSCO Assessment Committee*

*Jaime Aguade, Chairman, Comisión Nacional de Valores, Mexico*

*Eric Pan, Director, Office of International Affairs, U.S. CFTC*

*Howell Jackson, James S. Reid, Jr. Professor of Law, Harvard Law School (moderator)*

4:30

**Wrap Up/End of Phase II**

*Hal S. Scott, Nomura Professor of International Financial Systems, Harvard Law School*

*Paul P. Andrews, Secretary General, IOSCO*