

Rasheed Mohammed Al Maraj: Detection and prosecution of securities market abuses

Speech by His Excellency Rasheed Mohammed Al Maraj, Governor of the Bahrain Monetary Agency, at the Detection and Prosecution of Securities Market Abuses Seminar, held at the Bahrain Institute of Banking and Finance, Manama, 26 June 2006.

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Distinguished Guests, Speakers, Ladies and Gentlemen

It is with great pleasure that I welcome you all here this morning to the opening ceremony of the Seminar on Detection and Prosecution of Securities Market Abuses and I would like to thank everyone who has been involved in organizing this event.

Following on from last year's successful Broker-Dealer Regulation and Enforcement Program, our special thanks go once again to our partners in this project, namely the United States Securities and Exchange Commission and the Financial Services Volunteer Corps who under the auspices of the U.S. Middle East Partnership Initiative are once again sponsoring this program, and of course to our hosts, the Bahrain Institute of Banking and Finance.

Global and regional financial markets are increasingly becoming integrated, and it is important for individual markets to remain fair, efficient and liquid, and to be able to offer superior value to their investors, issuers and market intermediaries. If investors do not have the confidence in the fairness, efficiency and transparency of the market, they will feel that they are not being adequately protected and will move out of the market in pursuit of better opportunities elsewhere. Indeed, investor confidence in the risk management systems and integrity of the capital market is essential and will enhance its liquidity and efficiency.

Therefore, it is essential that regulators, stock exchanges and market intermediaries should play an active role in enhancing the fairness, efficiency and transparency of the markets and maintain market integrity, by ensuring that the price of securities is determined efficiently by the market forces of supply and demand.

In order to accomplish this, investing in the education of the capital markets sector's human resources is a fundamental way of achieving this goal. Enhancing the knowledge of the industry's key players will allow for greater insight into better ways of early detection of market abuse, and the prevention of such abuse from occurring.

This seminar has therefore been carefully thought-out to touch on all subjects and to allow participants to widen their knowledge and derive the greatest benefit and insight into the various surveillance and investigation systems and techniques for the detection and prevention of market abuses.

I would like to finish by thanking once again our collaborators in this event and to wish the seminar participants every success, and trust that everyone will take away with them invaluable knowledge and experience. Thank you for participating in this event.